

CHAPTER 2

Economic Development

2019

Community Development Block Grant

APPLICATION GUIDELINES

April 2019, Revised July 2019

NEBRASKA

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

Table of Contents

Section A. Overview	3
Section B. Application Forms & Instructions.....	4
Part I. General Information	6
Part II: Funding Summary Instructions.....	8
Part II. Funding Summary.....	9
Part III. Project Budget	11
Part IV: Project Financing and Use of Loan Proceeds	12
Part V: Participation Identification and Project Summary	13
Part VI: Exhibits and Attachment	15
Part VII: Program Income Certification	16
Part VIII: Employee Certification Form (LMJ Projects Only).....	17
Part IX: Scoring Criteria	21
Section C. Application Guidelines	22
Section 1.01 Eligible Applicants	22
Section 1.02 Eligible Businesses.....	22
Section 2.01a Compliance with CDBG National Objective Requirements	23
Section 2.01b Explanation of the LMJ National Objective in Nebraska	27
Section 2.02 Compliance with State Priorities.....	32
Section 3.01 Compliance with Economic Development Priority	32
Section 3.02 Federal Requirements	32
Section 3.03 Other Considerations Affecting Project Eligibility.....	33
Section 3.04 Eligible Activities and Forms of CDBG Assistance	35
Section 4.01a Maximum Amounts of Awards	35
Section 4.01b Public Benefit Standards.....	35
Section 4.01c Maximum Amount of CDBG Loan Forgiveness to a Benefited Business	35
Section 4.02 Matching Requirements.....	35
Section 4.03 Program Income and Reuse Plans	36
Section 5.01 Overview of the CDBG Economic Development Process.....	38
Section 5.02 Application Timing	39
Section 5.03a Application Decision-Making Scoring Criteria.....	40
Section 5.03b Underwriting & Decision-Making Criteria	43
Section 5.04 Use of Consultants.....	44
Section 5.05 Program Specifics and Additional Required Documents	47
Section 5.06 Post Award Requirements	52
Section 6.01 Glossary of Terms	54

Section A. Overview

These application guidelines are for all CDBG Economic Development applications. Any eligible applicant must follow the instructions and information within this Chapter in order to apply for any Economic Development resources.

The objective of the Nebraska Department of Economic Development for the Community Development Block Grant (CDBG) Economic Development (ED) category is to assist businesses which expand the State's economic base and which create quality jobs principally benefiting employees in the low-to-moderate (LMI) income levels. CDBG is a funding source from the U.S. Department of Housing and Urban Development (HUD). The federal statutory authority for the CDBG program is the Housing and Community Development Act of 1974, as amended (HCDA), codified at 42 U.S.C. §5301 et seq.

FOR MORE INFORMATION

For further information, please contact the following Primary Contact for this program. See also Chapter 1 for more information.

Tom Stephens
Nebraska Department of Economic Development
Housing and Community Development Division
PO Box 94666, Lincoln NE 68509-4666
Phone: 1 (402) 471-6587 (or) 1 (800) 426-6505
Fax: (402) 471-8405
tom.stephens@nebraska.gov
<http://opportunity.nebraska.gov/CDBG>

Section B. Application Forms & Instructions

In order for your application to be scored and ranked effectively, carefully review the contents of this section. This section contains all forms and listing of exhibits and attachments for submission with your application. Application content should be clear and concise. The Department reserves the right to verify all information, and to consult with other agencies on the proposed project. The Department may “non-select” any application that does not contain all of the required items and/or where submitted items cannot be verified.

Applicants must carefully read and review the current program year’s **Application Guidelines** and the selection criteria described to develop a competitive application. In submitting your application, these instructions must be followed:

- Submit **ORIGINAL** copy.
- Submit a complete **PDF** copy.
- Two-hole punched at top.
- Do not fold, staple, or bind in any way.
- Table of Contents must be included.
- Number all pages sequentially at the bottom of the page.
- Label all Exhibits at the bottom right-hand corner of the page.
- Label all Attachments at the bottom right-hand corner of the page.

Failure to follow these instructions may result in the return of your application for correction. If requested by DED, submit corrections and revisions to an application within one week.

Below is a checklist of documents for the Economic Development Application and Implementation:

Application Form and Required Exhibits

- ☐ **Part I.** General Information
- ☐ **Part II.** Funding Summary
- ☐ **Part III.** Budget
- ☐ **Part IV.** Project Financing and Use of Loan Proceeds
- ☐ **Part V.** Participation Identification and Project Summary
- ☐ **Part VI.** Application Required Exhibits
 - Exhibit A Notice of Public Hearing (and minutes)
 - Exhibit B Authorizing Resolution
 - Exhibit C1 Statement of Assurances and Certifications
 - Exhibit C2 Citizen Participation Plan
 - Exhibit D Residential Anti-Displacement & Relocation Assistance Plan
 - Exhibit E: LMI Documentation - ACS Data (*Only for LMI Area Benefit*)
 - Exhibit E1: LMI Census Worksheet (only of LMI area benefit)
 - Exhibit E2: LMI Random Sample Worksheet (only for LMI area benefit)
 - Exhibit E3: LMC Worksheet (Limited Clientele benefit only)
 - Exhibit E4 Job Creation / Retention Information
 - Exhibit K1a Waiver of Procurement Process (Narrative)
 - Exhibit K1b Waiver of Procurement Process (Narrative) (Development Districts)
 - Exhibit K2 Procurement Process completed prior to Application
 - Exhibit L FFATA (Federal Funding Accountability & Transparency Act) Reporting Form
 - Exhibit M Map of Proposed Project Area
 - Exhibit N SAM (System for Award Management) Documentation
 - Exhibit O1 Four Factor Analysis Assessing Limited English Proficiency
 - Exhibit O2 Language Assistance Plan (optional at the time of application)
 - Exhibit Q Local Cost Share (Funding Commitments)

- ☐ **Part VII.** Program Income Certification
- ☐ **Part VIII.** Employee Certification Form
- ☐ **Part IX.** Scoring Criteria, see Section 5.03a for additional information

Other Documents Related to the Project's Application

- ☐ Memorandum of Understanding (MOU) [signed by all parties other than DED]
- ☐ Certificate of Good Standing (Nebraska Secretary of State's office)
- ☐ CDBG Economic Development Preliminary Application

Environmental Review Record per NEPA requirements

- ☐ Define the Project and its footprint – all planned improvements, activities, and details
- ☐ Obtain necessary publications, certifications, and conduct public hearings, as applicable
- ☐ Complete the Environmental Review Record (submit with application)

Business and Financial Analysis Documentation

- ☐ Business plan-Business Strategy
- ☐ Resumes of key business personnel
- ☐ Business financials: balance sheet, income statement, and cash flow statements (3 years historical/2 year pro forma)
- ☐ Guarantors' financial statements
- ☐ Project cost documentation, including vendor quotes or engineering estimates for equipment purchases
- ☐ Borrowing resolution authorizing business representative to borrow funds from the local government
- ☐ System Awards Management (SAM) Documentation for Business

Contract Special Conditions

- ☐ Contract (Signed by DED and Grantee)
- ☐ Grantee Information Sheet (Certified Administrator required)
- ☐ Environmental Review mitigation (other special conditions, if any)
- ☐ Authorization to Request Grant Funds
- ☐ Financial Management Certification
- ☐ Procurement Standards and Code of Conduct documentation
- ☐ Excessive Force Certification
- ☐ Fair Housing Certification
- ☐ Implementation Schedule
- ☐ Limited English Proficiency

Other Required Documents Submitted During Implementation

- ☐ NDO Documentation
 - Intercreditor Agreement
 - Deed of Trust
 - NDO/Grantee Agreement
 - Promissory Note (Business)
 - Security Agreement
 - UCC Filing
- ☐ Professional Services Contract (General Administration only)
- ☐ Drawdown Documentation (receipts, evidence)

Part I. General Information

Type or print all information except where signatures are required.

1. **Applicant identification:** Enter the name, mailing address, telephone, and fax number of the local government that is the applicant in an individual application or the lead applicant in a joint application. Enter the name of the local government contact person. Such person is the **applicant's employee who is most familiar with the application**, and not a regional council or community action agency staff person, consultant, or other applicant non-employee. Include the Federal Tax Identification number and DUNS number of the Applicant. The DUNS number can be obtained via D&B online at <http://fedgov.dnb.com/webform> or requested by phone at 866-705-5711 or for persons with a hearing impairment, the TTY number is 866-814-7818. Enter the email address for the local unit of government or local contact.
2. **Person Preparing Application:** Enter the name and contact information of the person who prepared the application. If prepared by a firm, identify the staff contact person. Include the Federal Tax Identification number of the firm, development district, or nonprofit. Check the appropriate application preparer status box.
3. **Activity Type:** Check the appropriate box under which funds are being requested. See *Section 5.01*.
4. **Funding Sources:** Enter the dollar amounts of CDBG funds requested for this project. Enter the amount of all matching and other funds identified in the application **that you are committing** to this project. **ROUND AMOUNTS TO THE NEAREST DOLLAR.** Be certain that the figures are added correctly and consistent throughout.
5. **Application Type:** Check the appropriate type box under which funds are being requested.
6. **Use Summary:** Provide a short, explicit summary of the project activities in measurable terms for which funds are requested. *There is no need to include funding information. EXAMPLE: To assist a for-profit business, Company A, with working capital associated with a business expansion in Anytown and to create 10 FTE jobs.* In addition, check the box and **ATTACH A PROJECT DESCRIPTION.**
7. **Certifying Official:** **Only the signature of the applicant's chief elected official will be accepted.** Blue ink for signature is advisable. Alternate signatures (e.g. city council president, city manager) are not allowed, except where there exist extenuating circumstances (e.g. chief elected official is out for an extended period), and the applicant receives prior written approval from DED. Type the name and title of both signers and the date of signatures.

Economic Development (ED) Application

Community Development Block Grant (CDBG)

Nebraska Department of Economic Development (DED)

PART I. GENERAL INFORMATION

TYPE OR PRINT ALL INFORMATION

2019

DED USE ONLY

Application No.

19-ED-

Date Received

1. APPLICANT IDENTIFICATION

Applicant Name _____
Mailing Address _____
City, State, ZIP _____
Local Contact _____
Telephone _____
Fax Number _____
Federal ID # _____
DUNS # _____
Email Address _____
SAM Expiration Date _____

2. PERSON PREPARING APPLICATION

Name _____
Address _____
City, State, ZIP _____
Telephone # _____
Federal ID # _____
Email Address _____

Application Preparer (Check One)

- ☐ Local Staff ☐ Non-Profit
☐ Consultant ☐ Economic Development District
☐ DED Staff

3. ACTIVITY TYPE

- ☐ Direct Loan/Business Assistance ☐ Direct Loan/Goods & Services
☐ Public Works/Infrastructure

5. APPLICATION TYPE

- ☐ Individual
☐ Joint

4. FUNDING SOURCE

CDBG Funds Requested \$ _____
Matching \$ _____
Other Funds \$ _____
Total Funds \$ _____

(Round amounts to the nearest dollar.)

6. USE SUMMARY: Brief description of the project for which CDBG funds are requested.

☐ Project Description Attached

Click or tap here to enter text.

7. CERTIFYING OFFICIAL: Chief elected officer of local government requesting CDBG funds.

To the best of my knowledge and belief, data, and information in this application are true and correct, including any commitment of local or other resources. This application has been duly authorized by the governing body of the applicant following an official public hearing. This applicant will comply with all federal and state requirements governing the use of CDBG funds.

Signature in Blue Ink

Typed Name and Title

Date Signed

Attest

Typed Name and Title

Date Signed

PAGES MUST BE TWO-HOLE PUNCHED AT TOP. DO NOT BIND, FOLD, OR STAPLE.

Individuals who are hearing and/or speech impaired and have a TTY, may contact the Department through the Statewide Relay System by calling (711) INSTATE (800) 833-7352 (TTY) or (800) 833-0920 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111. Additional information is at the Nebraska Relay website at <http://www.nebraskarelay.com/>. Nebraska Relay offers Spanish relay service for our Spanish-speaking customers. Spanish-to-Spanish (711) or 1-888-272-5528/Spanish-to-English (711) or 1-877-564-3503. Nebraska le ofrece el servicio de relevo a nuestros clientes en español. Los consumidores de TTY pueden escribir por maquina en español y las conversaciones seran retransmitidas en español y ingles.

Part II: Funding Summary Instructions

INSTRUCTIONS: Using the activity code number and description provided on the Funding Summary, enter the national objective code for each activity (as identified on the application form).

Enter the dollar amount of CDBG funds requested for each major activity. Enter the amount of Matching and CDBG Program Income funds **that you are committing** to each activity and identify the source. All matching funds shown on the application must comply with all CDBG requirements. Select the single most specific code to describe the nature of the activity being funded. You would include costs for environmental review, fair housing activities, labor standards enforcement, record keeping, progress reports, general office expenses, contractual services for administration, and audits under 0181 General Administration.

Note: Labor Standards Enforcement costs can now be identified under 0181 General Administrative Activity or 0380 Construction Management Activity.

Limit Funding Summary to allowable CDBG eligible costs incurred during the CDBG program period only. Exclude any “other” project costs not eligible for CDBG reimbursement or match (i.e. test holes completed, preliminary architectural or engineering fees incurred or obligated prior to Release of Funds, fees for services not procured by CDBG guidelines, etc.). Written documentation of commitment of source matching funds must be included as **Exhibit Q**.

Identify the sources of match funds and provide written documentation of availability of matching funds. Please be certain that the figures are correctly added and the column totals are consistent throughout.

Part II. Funding Summary

Activity Code-Activity	Nat'l Objec tive*	Prop. Unit Type **	CDBG Funds	Matching Funds	CDBG Program Income	Total Funds	Matching Fund Source
0010 Acquisition/Easements							
0230 Streets/Bridges							
0250 Storm Sewers							
0270 Sanitary Sewers							
0290 Sewage Treatment							
0300 Water/Sewer							
0310 Water Source/Well							
0330 Water Distribution							
0350 Water Storage							
0370 Flood Control & Drainage Facilities							
0600 ED Infrastructure Development							
0690 Fixed Assets/Land & Bldg							
0700 Direct Financial Assistance to For Profit Business							
0730 Working Capital							
0750 Fixed Assets / Machinery & Equipment							
0770 Fixed Assets / Leasehold Improvements							
SUBTOTAL: PROJECT COSTS							
0380 Construction Mgmt							
SUBTOTAL: SUPPORTING PROJECT COSTS							
181 GENERAL ADMINISTRATION							
1000 TOTAL AMOUNT							

*For each activity enter the most appropriate National Objective Code, see Section C, 2.01 of the Application Guidelines.

**The most common Proposed Units of Accomplishment types include People, Housing Units, Businesses, and Jobs. Identify jobs as the primary beneficiary group in the table and list the proposed number of beneficiaries below.

INSTRUCTIONS: Check all that apply and provide requested summary information.

NATIONAL OBJECTIVE SUMMARY INFORMATION

☐ **LMJ:** Activities benefitting Low/Moderate Income Persons.
Proposed total number of beneficiaries: _____ Total jobs _____ Total jobs benefiting LMI Persons.
Submit Exhibit E4 Job Creation/Retention Information (*Only for LMJ*)

☐ **LMA:** Benefit Low/Moderate Income Persons on an area basis.
Census Data _____% **or** [YEAR] Income Survey _____%.
Proposed total number of beneficiaries: _____ LMI: _____
Submit Exhibit E, E1, or E2. Identify application page number(s) for source/narrative documentation: _____.

☐ **LMC:** Benefit Low/Moderate Income Persons on a limited clientele basis.
Proposed total number of beneficiaries: _____
Submit Exhibit E3. Identify application page number(s) for source/narrative documentation: _____.

Part III. Project Budget

INSTRUCTIONS: The proposed budget includes costs for project delivery and administration. All items listed as match, other, and CDBG costs must be allowable and eligible under the CDBG Program.

Detailed information provided in this section will be used to evaluate the accuracy and reasonableness of activity costs shown in *Part II Funding Summary* and throughout the application. Indicate the date and source of cost estimates. Provide name, address, phone, and e-mail of person(s) who prepared the estimates. Department reserves the right to seek clarification on budgeted items.

Project Costs

Provide a breakdown of the major project delivery costs by listing the activity description and activity code number for each activity. Common line item costs include: real property acquisition, legal expenses, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, equipment. Any items listed as “miscellaneous” or “contingencies” must also include detailed information.

If the project includes work to be performed by volunteers or **in-kind** contributions by the local government or other organizations, include the value of the volunteer or in-kind donations under the appropriate budget line item in a separate column. If awarded, these types of contributions are referenced in your CDBG contract, but not explicitly listed in the sources and uses table.

Please note that project costs not eligible for CDBG reimbursement or match and not claimed on the Part II Funding Summary may be identified here as a separate subtotal to clarify total project costs. Such costs may include architectural or engineering fees incurred or obligated prior to Release of Funds, fees for services not procured, etc.

Supporting Project Costs

Construction Management (0380) costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs.

General Administration Costs

The general administration (0181) budget includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports and drawdowns.

Part IV: Project Financing and Use of Loan Proceeds

INSTRUCTIONS: Using figures derived from Part II Funding Summary, enter the dollar amount budgeted by funding source. Round amounts to the nearest hundred dollars. Identify the sources of matching or other funds and the related details of the financing. Be certain that the figures are correctly added and are the same as provided in Part I. Box 4; Part II, and Part III of the application.

I. Project Financing	Amount	Percent Project Cost	Annual Debt Service	Maturity	Interest Rate	Lien Position
CDBG Requested	\$		\$			
CDBG Local Program Income	\$		\$			
Financial Institution / Other	\$		\$			
Other (Identify)	\$		\$			
Other (Identify)	\$		\$			
Other (Identify)	\$		\$			
Other (Identify)	\$		\$			
Other Federal Sources	\$		\$			
Equity Injection	\$		\$			
TOTAL FINANCING	\$		\$			

Part V: Participation Identification and Project Summary

Complete the information as requested on this form as reasonably possible.

1. Name of Business _____

Address _____

(City) _____ NE _____ (Zip) _____

Telephone No. (____) _____

Fax No. (____) _____

Contact Person: _____

DUNS Number (Business): _____

Email address: _____

2. Business Organization

___ Proprietorship

___ Partnership

___ Corporation

___ Other

4. Eligible Businesses

___ Nebraska Advantage Qualified Business

___ Essential Goods and Services Business

3. Business Type

___ Start-Up

___ Existing

___ Business Buy-Out

5. Project Location:

___ Within the City Limits of (Name of City) _____

___ Outside the City Limits, but within the Zoning Jurisdiction of (Name and City) _____

___ Outside the Zoning Jurisdiction of (Name of City) _____ in (County) _____

___ Located in county (not in incorporated areas.) _____

Zoning Action Required? ☐ Yes ☐ No Project in 100 yr. floodplain? ☐ Yes ☐ No

___ If zoning action is required, please attach an explanation.

___ Attach a legal description of the project's location.

___ Attach a map of the applicant's jurisdiction, identifying the areas in which the project activity will occur.

6. Ownership Identification

A. Name _____ %

Women _____ %

Minorities _____ %

Disabled Persons _____ %

B. Percentage of Company Owned by:

7. Affiliated Businesses

A. Does the Company have a Parent or Subsidiary? ☐ Yes ☐ No

If Yes, Identify Name: _____

Address: _____

City: _____ State: _____ Zip: _____

B. Do the Owners of the Company have an Ownership interest in any Other Company? ☐ Yes ☐ No

If Yes to Either A or B Identify Below:

Company Name

Relationship

% Owned

8. Project Participation Identification: Identify All Entities Participating with the Financing of the Project.

A. Financial Institution(s)

Name: _____
Address: _____

(City) (State) (Zip)
Contact Person: _____
Title: _____ Email address: _____
Telephone: () _____

Name: _____
Address: _____

(City) (State) (Zip)
Contact Person: _____
Title: _____ Email address: _____
Telephone: () _____

B. Other Local, State or Federal Financing Sources

Agency Name: _____
Address: _____

(City) (State) (Zip)
Contact Person: _____
Title: _____ Email address: _____
Telephone: () _____

Agency Name: _____
Address: _____

(City) (State) (Zip)
Contact Person: _____
Title: _____ Email address: _____
Telephone: () _____

C. Source(s) of Equity/Investment Capital

Name: _____
Address: _____

(City) (State) (Zip)
Telephone: () _____
Title: _____ Email address: _____

Name: _____
Address: _____

(City) (State) (Zip)
Telephone: () _____
Title: _____ Email address: _____

Name: _____
Address: _____

(City) (State) (Zip)
Telephone: () _____
Title: _____ Email address: _____

Name: _____
Address: _____

(City) (State) (Zip)
Telephone: () _____
Title: _____ Email address: _____

Part VI: Exhibits and Attachment

This Part contains specific information on the Exhibits that are required for the project as well as any necessary Attachments that must also be provided in order for the applicant to submit a complete application.

Identified below and provided within the Application Checklist is a list of required exhibits. **All Exhibit information and templates are found in Chapter 9.**

- Exhibit A Notice of Public Hearing
- Exhibit B Authorizing Resolution
- Exhibit C1 Statement of Assurances and Certifications
- Exhibit C2 Citizen Participation Plan
- Exhibit D Residential Anti-Displacement & Relocation Assistance Plan
- Exhibit E: LMI Documentation - ACS Data (*Only for LMI Area Benefit*)
- Exhibit E1: LMI Census Worksheet (only of LMI area benefit)
- Exhibit E2: LMI Random Sample Worksheet (only for LMI area benefit)
- Exhibit E3: LMC Worksheet (Limited Clientele benefit only)
- Exhibit E4 Job Creation / Retention Information
- Exhibit K1a Waiver of Procurement Process and Narrative*
- Exhibit K1b Waiver of Procurement Process and Narrative (Development Districts)*
- Exhibit K2 Procurement Process completed prior to Application and Narrative*
- Exhibit L FFATA (Federal Funding Accountability & Transparency Act) Reporting Form
- Exhibit M Map of Proposed Project Area
- Exhibit N SAM (System for Award Management Documentation)
 - Local Government and
 - Business
- Exhibit O1 Four Factor Analysis Assessing Limited English Proficiency
- Exhibit O2 Language Assistance Plan (Optional at the time of Application)
- Exhibit Q Local Cost Share (Funding Commitments)

* For additional information, see Chapter 9.

Part VII: Program Income Certification

INSTRUCTIONS: The city, village, or county completes this form when the applicant has CDBG Economic Development Program Income Revolving Loan Funds (or "Re-Use" funds). The applicant community or county is required to put their local CDBG dollars into the project as the first dollar, and this form details and documents that analysis.

STATE OF NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM INCOME CERTIFICATION

Applicants are required to commit all available CDBG Local Program Income to a project, provided funds have not been committed to an already approved local project. The Department reserves the right to reduce additional CDBG program funds based on the amount of local program income funds available.

III. Local CDBG Economic Development Revolving Loan Fund ("RLF") Program Income - Reconciliation	
1) Beginning Balance (account balance to date):	\$ _____
2) Total Committed Funds Not Yet Disbursed (*see below)	(-) \$ _____
3) Uncommitted Funds on Hand	(=) \$ _____

* RLF Loans/Grants Committed but not yet disbursed				
Recipient	Loan/Grant	Description	\$ Amount	Date of Commitment

Note: for each loan/grant committed but not yet disbursed, include supporting documentation, such as application approval or minutes from board meetings from the City or Village, showing approval of program income funds to be used for the project.

I certify that to the best of my knowledge and belief the information contained in this report is true and correct.

Name/Title of Certifying Officer

Signature

Date

Part VIII: Employee Certification Form (LMJ Projects Only)

INSTRUCTIONS: Complete this form and duplicate for use when interviewing job applicants. This form should be part of the CDBG file, and completed by the business (and the job applicant) when job creation is involved in the project. This form is a “self-certification” form that is used to determine a household’s status as a low-to-moderate income household. This form is also used to survey existing employees in a “retained” jobs situation. The grantee must maintain a file copy of all certifications. Job categories must conform to the EDA job category descriptions (as shown). This category will agree with the proposed job creation summary found in Exhibit E-4.

This form to be completed and signed at the time of job application at the benefitted business by each prospective job applicant. Business and Grantee must keep on file to document LMI status of each job applicant.

**Nebraska Department of Economic Development – CDBG Program
EMPLOYEE CERTIFICATION FORM**

NAME OF EMPLOYER	
This form is for use by the Employer identified above to meet the requirements of the Nebraska Department of Economic Development (DED) and U.S. Department of Housing and Urban Development (HUD).	

Dear Employee or Applicant:

Please provide the information requested in Parts 1-3 below so that we can verify to the Nebraska Department of Economic Development (DED) that your employment here is achieving the goals of the Nebraska Community Development Block Grant (CDBG) Program. This information is voluntary. Information reported in this form is retained in your confidential personnel file and is available to only a limited number of company officials. The information is subject to verification by representatives of DED and officials from **{CITY, COUNTY, VILLAGE, NE}**.

HUD Income Guidelines for {COUNTY, NE}								
<i>EMPLOYERS: complete this table for appropriate county. See accompanying sheet for additional guidelines. INSTRUCTIONS FOR EMPLOYEE/APPLICANT: use the information within the table to respond to Question 1.</i>								
Family Size	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
Row A								
Row B								
Row C								

- 1) Using the table above, find your family size and household income level. Count all family members including yourself living at home. My household size is _____ persons.**

Please check the box below that represents your **TOTAL** household income for **LAST YEAR** in relation to the income levels in rows A, B, and C above. **LAST YEAR my total income was:**

- ☐ **AT or BELOW** THE AMOUNT IN ROW A
☐ **ABOVE** ROW A AND **AT OR BELOW** THE AMOUNT IN ROW B
☐ **ABOVE** ROW B AND **AT OR BELOW** THE AMOUNT IN ROW C
☐ **MORE THAN** THE AMOUNT IN ROW C

- 2) From the appropriate column below, please check the box(es) that best identify your race:**

Column A. Single Race Identifiers:

- ☐ White
☐ Black/African American
☐ Asian
☐ American Indian/Alaskan Native
☐ Native Hawaiian/Other Pacific Islander
☐ Other

Column B. Multi-Racial Identifiers:

- ☐ American Indian/Alaskan Native **and** White
☐ Asian **and** White
☐ Black/African American **and** White
☐ American Indian/Alaskan Native **and** African/American
☐ Other Multi-Racial

- 3) Please answer the following questions:**

- | | | |
|--|---------------------------------|-------------------------------|
| Do you consider yourself as being of Hispanic ethnicity? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| What sex are you? | <input type="checkbox"/> Female | <input type="checkbox"/> Male |
| Do you have a disability that is a substantial handicap? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you unemployed prior to taking this job? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you a female head of household? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Employee
Printed Name _____

Employee Signature _____
Date of Signature _____

TO BE COMPLETED BY THE EMPLOYER. Check the appropriate box below indicating the job category under consideration for this person.				
<input type="checkbox"/> Official or Manager	<input type="checkbox"/> Professional	<input type="checkbox"/> Technician	<input type="checkbox"/> Sales	<input type="checkbox"/> Office or Clerical
<input type="checkbox"/> Craft Worker (Skilled)	<input type="checkbox"/> Operative (Semi-Skilled)	<input type="checkbox"/> Laborer (Unskilled)	<input type="checkbox"/> Service Worker	

Economic Development Administration (EDA) Job Category Definitions

1. **Official or Manager** - Occupants requiring administrative personnel who set broad policies, exercise overall responsibility of execution of these policies, and individual departments or special phases of a firm's operations. This includes: Officials, Executives, middle management, plant managers and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.
2. **Professional** - Occupants requiring either college graduation or experience of such kind and amount as to provide a comparable background includes: accountants and auditors, airplane pilots and navigators, architects, artists chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, professional and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.
3. **Technician** - Occupants requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post-high school education such as is offered in many technical institutions and junior colleges, or through equivalent on the job training. This includes: computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science) and kindred workers.
4. **Sales** - Occupants engaging wholly or primarily in direct selling. This includes: advertising agenda and sales workers; insurance agents and brokers; real estate agents and brokers; sales workers; demonstrators and retail sales workers; and sales clerks, grocery clerks and cashiers; and kindred workers.
5. **Office or Clerical** - Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly non-manual though some manual work not directly involved with altering or transporting the products is included. This includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, and secretaries, telegraph and telephone operators, and kindred workers.
6. **Craft Worker (skilled)** - Manual workers of relatively high level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. This includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanic and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.
7. **Operative (semi-skilled)** - Workers who operate machines or other equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. This includes: apprentices (auto mechanics, plumbers, electricians, machinists, mechanics, building trades, metal working trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dress makers and sewers (except factory), dryer's furnaces workers, heaters (metal), laundry and dry cleaning, operatives, milliners, mine operatives and laborers, motor operators, oilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and tractor drivers, weavers (textile), welders and flame metals workers, and kindred workers.
8. **Laborer (unskilled)** - Workers in manual occupations which generally require no special training perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. This includes: garage laborers; car washers and greasers; gardeners (except farm) and ground keepers; stevedores; wood choppers; laborers performing lifting, digging, mixing loading, and pulling operations; and kindred workers.
9. **Service Worker** - Workers in both protective and non-protective service occupations. This includes attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, chairworkers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, door keepers, stewards, janitors, police officers and detectives, porters, waiters and waitresses, and kindred workers.

ADDITIONAL HUD INCOME GUIDELINES

HUD INCOME GUIDELINES FOR {COUNTY, NE}								
Family Size	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
Row A								
Row B								
Row C								

HUD INCOME GUIDELINES FOR {COUNTY, NE}								
Family Size	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
Row A								
Row B								
Row C								

HUD INCOME GUIDELINES FOR {COUNTY, NE}								
Family Size	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
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Family Size	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
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Family Size	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
Row A								
Row B								
Row C								

Date signed: _____

Part IX: Scoring Criteria

Applicants use this portion of the application to define the challenges and opportunities within the service area and describe how the proposed project addresses identified economic development needs. In this section, Applicants provide specific information about the issues and/or problems addressed by the project, line item budget, preliminary schedule, and how the project fulfills the selected National Objective.

Selection Criteria Matrix

The Matrix below describes each selection criteria as a numerical score within the ED Category. The maximum number of points available within any application is 110 points. A minimum score of 25 points is required and some criteria require a minimum score as noted below.

Selection Criteria	Maximum	Threshold Minimum
1. CDBG Funding Utilization	35	-
2. Community Impact and Investment	30	-
3. Business Factors	40	-
4. Economic Development or Leadership Certified Communities	5	-
Total	110 points	25 points

For more information, including a detailed list and full description of each selection criteria, see *Section 5.03a* of the Application Guidelines

Section C. Application Guidelines

The primary objective of Nebraska's nonentitlement Community Development Block Grant (CDBG) Program is to develop viable communities and counties by providing decent housing, suitable living environments, and expanding economic opportunities principally for low- and moderate-income (LMI) persons. As the designated state administering agency, the Nebraska Department of Economic Development (DED) accomplishes this objective by funding activities authorized under the federal Housing and Community Development Act of 1974, as amended, and designed to meet the objectives for the CDBG Community Development category. These particular guidelines concern the Economic Development (ED) category. Guidelines for other CDBG categories may be obtained from DED. **If HUD provides additional guidance, DED will notify all applicants of any new requirement by Policy Memo.**

Section 1.01 Eligible Applicants

Eligible applicants include any Nebraska incorporated municipality under 50,000 population; and every Nebraska county.

- An eligible municipality may apply only for project activities within its jurisdictional control (as defined below).
- An eligible county may apply only for project activities:
 - within its jurisdictional control (as defined below), and
 - which are in unincorporated areas of the county;
 - provided however, that project activities occurring at a site of public facilities owned or controlled by the county, even though within an incorporated area of the county, may be applied for (by the county).
- In this context, jurisdictional control means: property within corporate boundaries; property within zoning jurisdiction boundaries; property outside such boundaries which was acquired (through purchase or donation) prior to project activity implementation; and property controlled through permanent easements or other similar permanent land use/access control mechanisms.
- These jurisdictional control limitations and definitions are established by the Department under the Department's CDBG ED program, not by HUD CDBG regulations. Consequently, in circumstances deemed appropriate by the Department, exceptions to these requirements may be allowed.

Section 1.02 Eligible Businesses

Not all businesses are eligible to be benefited businesses under the Department's CDBG ED program. For a business to be eligible under the Department's CDBG ED category, it must either: **1)** be eligible for the **Nebraska Advantage Act** as described below **or 2)** be a for-profit business that provides **essential goods or services** to local governments' residents of which at least 51% of the benefitting residents qualify as low- and moderate income (LMI).

- 1) **Nebraska Advantage Qualified Businesses:** Meet the definitional criteria to be a "qualified business" as defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made. The following listing summarizes the categories of businesses considered to be a "qualified business" under the Nebraska Advantage Act. The statutory text and regulatory interpretations by the Department of Revenue will prevail in the event of an interpretive conflict with these guidelines. "Qualified businesses" are those engaged in any one (or combination) of the following:
 - Research and development
 - Manufacturing
 - Data processing
 - Telecommunications
 - Insurance
 - Financial Services
 - Distribution

- Storage/Warehousing
- Transportation
- Headquarters (administrative)
- Data Centers
- Scientific Testing
- Targeted export services (75% of sales outside Nebraska or to the U.S. Government: software development; computer systems design; product testing services, guidance or surveillance systems; technology licensing)

- 2) **Essential Goods or Services Business:** For profit businesses that provide essential goods or services needed by, affordable to, and benefitting low- and moderate-income residents.

It is the responsibility of the applicant to demonstrate how the proposed project fulfills the “essential goods or services” standard, as well as how the proposed project meets LMA and the public benefits standard. HUD provides guidance in this area. In general, this is unlikely to include retail and/or businesses that provide specialty goods and/or services (e.g., gift shops, insurance agencies, hair salons, barbershops, spas, recreation or sporting goods, entertainment, etc.).

Also, the below criteria must be met:

- The business must pay all employees at the project location in Nebraska at a rate of no less than \$11.50 per hour, as well as provide appropriate employee benefits.
- **LMJ ONLY:** For projects meeting the national objective through LMJ, the MOU must establish the job maintenance period, or by other means as determined by DED.

The following are ineligible:

- Non-profit businesses/organizations are ineligible.
- Businesses that derive any revenues from gaming are ineligible.
- Production agriculture enterprises are ineligible. These are excluded because they lack the necessary CDBG ED program guideline requirement that there must exist extra levels of substantial and separately identifiable value-added processing being performed by employees of the production agriculture enterprise—beyond those tasks and activities of production, harvesting, and marketing normally associated with traditional agricultural production commodities. Examples of such ineligible enterprises (when they lack the extra value-added component) include: grain farming, livestock raising, raising of poultry or the production of eggs, the production of milk, fruit or nut orchards, vegetable farming including hydroponics vegetable production, and aquaculture facilities.
- Trucking enterprises, which lack the requisite storage, warehousing, or distribution extra components which would distinguish them from the usual so-called "rolling stock" enterprises, are ineligible.

Section 2.01a Compliance with CDBG National Objective Requirements

The primary national CDBG objective is the development of viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low-and-moderate income persons. Under these guidelines, this is accomplished by funding projects that meet at least one of three national objectives. Based on the amended 1974 HCD Act and HUD guidance, the national objectives are defined and clarified by DED as follows:

The primary CDBG National Objective met by the applicant under the Economic Development Category is the benefit to low- to moderate-income persons.

1. **Benefit to Low-and-Moderate Income Persons** (referred to throughout this document as LMI persons): LMI persons are defined as a member of a family having an income equal to or less than the income limits established by HUD for their resident county. The income limits established by HUD at <https://www.hudexchange.info/programs/home/home-income-limits/> are determined for each Nebraska County on the higher either: 80% of the median income of the county, or 80% of the median income of the entire non-metropolitan area of the state.

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to meet this national objective.

- a. **Area benefit activities (LMA):** An area benefit activity is available to all residents of an area that is **primarily residential**. In order to qualify on an area basis, the activity must meet the identified needs of LMI persons residing in an area where at least 51% of the residents are LMI persons. The benefits of this type of activity are available to all residents in the area regardless of income. If the assisted activity serves an area having a LMI concentration below 51%, the activity may not qualify even if there is reason to believe that it will actually be used primarily by LMI persons.

Such an area need not be coterminous with census tract or other officially recognized boundaries, but must be the ENTIRE area served by the activity (i.e. an arterial street or sewer interceptor line running through a neighborhood would serve more residents than those in the immediate neighborhood).

To determine the percentage of LMI persons in the target area, grantees may review data from the most current US Census and should consider conducting an income survey in the designated project target area. Grantees would conduct an income survey of the residents within the project target area if data from the most current Census does not reflect current relative income levels in an area or census boundaries do not coincide with the service area of an activity.

Applicants must use survey methodology as set forth in Guidance for Survey Methodology to Determine Low/Mod Status of CDBG Service Areas located at: <http://opportunity.nebraska.gov/community/grants/applications/cdbg-forms>. Where an income survey has been conducted, the applicant must complete and submit Exhibit E1 or E2, LMI worksheet, and include a description of the methodology and income guidelines used.

The Department will accept income surveys conducted within the last four years of the current Program Year, provided the survey was conducted in accordance with HUD regulations and is determined to be methodologically sound.

Applicants will complete and submit Exhibit E, E1, or E2.

- b. **Limited Clientele activities.** These are activities that provide a benefit to a specific group of persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in which they reside, or be an activity that provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be LMI persons. Applicants will complete and submit Exhibit E3. To qualify under this subcategory, the activity must meet one of the following tests:

- (1) Exclusively benefit a clientele who are generally presumed by HUD to be principally LMI persons. The following groups are currently presumed by HUD to be made up principally of LMI persons: abused children, battered spouses, elderly persons, adults meeting Bureau of Census' definition of severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or,

- (2) Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limit, this includes the case where the activity is restricted exclusively to LMI persons; or,
- (3) Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be LMI persons (e.g. a daycare center that is designed to serve residents of a public housing complex); or,
- (4) Be an activity that removes material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting Bureau of Census' Current Population Reports definition of "severely disabled," provided it is restricted, to the extent practicable, to the removal of such barriers by assisting the reconstruction of a public facility or improvement or rehabilitation or a privately-owned nonresidential building that does not qualify under LMI area benefit criteria.

Activities that serve an area generally cannot qualify under the Limited Clientele criterion. For example, while a clinic serving only persons with AIDS living in a particular area would clearly qualify as a Limited Clientele activity, a clinic providing CDBG-subsidized health services which are available to *all* persons in the area would not. It must instead meet the criteria for an Area Benefit activity.

- c. **Job Creation/Job Retention (LMJ):** An activity generally meets this national objective when it is designed to create or retain permanent jobs where at least 51% of the jobs, computed on a full time equivalent (FTE) basis of 2,080 hours, involve the employment of LMI persons.

Permanent jobs are full- or part-time positions provided by the assisted business that will be, or can reasonably be expected to be, occupied for at least six continuous months. Seasonal jobs may be considered if the season recurs annually and lasts at least three consecutive months. All permanent jobs must be converted to FTEs. Temporary jobs (e.g. construction jobs) are not considered permanent jobs. Submit Exhibit E4.

For an activity that creates jobs, the local government must document by certification with the business that at least 51% of the permanent jobs will be held by or will be available to LMI persons.

- (1) Permanent jobs will be considered **held by** LMI persons when the jobs are held for six or more continuous months by individuals who are LMI at the time of hire.
 - a. Permanent jobs will be considered to be **available to** LMI persons if:
 - Special skills that can be only acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training
 - The local government and the assisted business take actions to ensure that LMI persons receive **first consideration** for filling such jobs. Principles involved in first consideration are:
 - The business must use a hiring practice that in all likelihood will result in 51% of the persons hired being LMI
 - The business must consider a sufficient number of LMI applicants to meet this intent

- The distance from residence and the availability of transportation to the job site must be considered in determining whether a particular LMI person can be considered an applicant for the job.
- (2) For an activity that **retains** permanent jobs, the local government must document through a certification by the business that permanent jobs would actually be lost without the CDBG assistance and that at the time CDBG assistance is provided one of the following apply:
- a. At least 51% of the permanent jobs are known to be filled by LMI persons
 - b. At least 51% of the permanent jobs can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that the permanent jobs will be filled by, or made available to, LMI person upon turnover. (See 1 above for conditions when jobs are to be **held by** or **available to** LMI persons.)

As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this objective. Where CDBG funds are used to acquire, develop, or improve real property (e.g. a business incubator or an industrial park), this objective may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

- (3) If a business receives other CDBG assistance, the total CDBG amount cannot be more than \$35,000 per job created/retained.
- (4) If meeting the National Objective of Benefit to Low and Moderate Income person through job creation/retention funds an attraction, the total CDBG amount cannot be more than \$35,000 per job created/retained. The minimum wage to qualify as a job meeting this criterion is \$11.50 per hour.

Job Creation/Retention Requirements: The primary national CDBG objective is to expand employment opportunities, principally for low-and-moderate-income persons (LMI persons). To be eligible, a CDBG project must guarantee at least 51 percent of the permanent full-time equivalent jobs (FTE's) created or retained are available to or taken by LMI person. Definitions for these terms are:

- (1) **Full Time Equivalent (FTE):** Jobs are computed on a full time equivalent basis of 2,080 hours per year or 40 hours per 52 weeks per year.
- (2) **LMI Person:** A person whose family income is equal to or less than the income limits for their resident country.
- (3) **Permanent Jobs:** A job is permanent if it is a full- or part-time position and will be, or can reasonably be expected to be, available for at least six continuous months. Seasonal jobs may be considered. Not eligible are temporary jobs (i.e. construction jobs related only to the project's new or renovated real estate) and jobs indirectly related to the assisted business. (i.e., trickle-down jobs). Generally contracted workers are not considered.
- (4) **Available To:** Jobs will be considered to be available to LMI person if special skills that can only be acquired with substantial training or work experience beyond high school are not a prerequisite to fill the jobs and LMI person are given first consideration for such jobs.

- (5) **Retained Jobs:** Retained jobs would be lost without CDBG assistance. Documentation is necessary to show that at least 51% of the jobs are known to be held by LMI person, or steps will be taken to ensure that at least 51% of the jobs which can reasonably be expected to become available through turnover within the following two years will be filled by or made available to, LMI persons.

Section 2.01b Explanation of the LMJ National Objective in Nebraska

The CDBG program provides for economic development grants provided it meets a national objective of creating full time, permanent jobs which primarily benefit low-to-moderate income persons (LMI). This low-to moderate income jobs activity standard (or “LMJ”) is one which creates or retains permanent jobs, on a full-time equivalent (or “FTE”) basis, of which 51% are either “held by” LMI persons or considered to be “made available to” LMI persons. Jobs can be “retained” or kept (from being lost) when it is demonstrated that CDBG assistance is required, provided the positions retained are filled (or will be filled) with at least 51% LMI persons.

Background -- Occasionally, in limited circumstances, rather than the job being held by an LMI person, a lesser standard of compliance, called making the job available to LMI persons, may be substituted to achieve the LMJ compliance. However, this “available to” standard is a less satisfactory choice, and compliance with the “available to” standard requires compliance with fairly rigorous regulatory standards. LMI jobs “retained” also has stringent requirements. CDBG Economic Development grants have other national objective standards that can be met, including LMC (“limited clientele”) or LMA (low-to- moderate income on an “area” basis), but *this provides guidance for the application of jobs “made available to” or “held by” or “retained” LMI persons to achieve the LMJ standard and meet the national objective.* How an employment position is considered to meet the LMJ national objective and other related definitional matters, can be found in the regulatory literature (noted below).

- Housing and Urban Development (“HUD”) CDBG regulations found in 24 CFR Part 570
- *Basically CDBG for States* (July 2014) HUD, Office of Block Grant Assistance
- *Guide to National Objectives and Eligible Activities for State CDBG Programs* (December 2014) HUD, Office of Community Planning and Development

Jobs “held by” or “made available to” or “retained” -- LMI persons defined: a job is “held by” a LMI person if at the time when employment begins, whose family (household) income falls at or below the program’s income limits. This test counts the entire family (household) income. Note that the wage of the job taken is irrelevant.

In addition, a job applicant who meets the test of “made available to” is determined to be a LMI person based on the person’s family (household) income status at the time the applicant being considered or offered a job (when CDBG assistance is provided). The income the person would make from the assisted job under consideration is not included in the calculation.

Jobs that are “retained” (and not lost due to CDBG assistance) are considered held by a LMI person if at the time of assistance, the family (household) income falls at or below the program’s income limits. A retained job can also be considered, if within two years, the job (while not currently held by a LMI person) would “turnover” and the new employee filling that position would likely be “held by” or “made available to” a LMI person. This method requires disclosure by and certification of existing employees.

Jobs “made available to” LMI persons defined: both of the following tests are met –

State grant recipient and/or the assisted business take actions to ensure that the LMI persons receive “first consideration” for filling the jobs; **AND**, the filled jobs do not require special skills that can only be acquired with substantial training or work experience (that is, one year or more) and education beyond high school is not required to fill the positions – unless the business agrees to hire unqualified persons and train them.

- **“First consideration” for jobs “made available to” LMI persons defined:**

- The business must use a hiring practice that under usual circumstances would result in over 51% of LMI persons interviewed for the jobs being hired.
- The business must seriously consider a sufficient number of LMI persons as job applicants to give reasonable opportunity to fill the position with such LMI persons.
- The distance from residence and availability of transportation to the job site must be reasonable before an LMI person may be considered a serious applicant for the job.

Jobs “retained” as a result of CDBG assistance, defined:

There must be *clear and objective evidence* that permanent jobs will be lost without CDBG assistance.

- **The definition of “clear and objective” evidence** that jobs will be lost includes:
 - Evidence that the business has issued a notice to affected employees or made a public announcement to that effect; *OR*,
 - Analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.

To meet the LMI person jobs standard, at least 51% of the “retained” jobs must be either:

The retained jobs are known to be held by LMI persons at the time CDBG assistance is provided. To document the “retained” employee status, a survey must be done of existing employees which reveals the family or household income. Note that existing employees may not wish to provide income of the family or household (in a self-certification), hence documenting this may be difficult; **AND/OR** jobs not known to be held by LMI persons, but which can be reasonably expected to “turn over” to LMI persons within two years. (This would involve the grant recipient or business taking actions to ensure that such a job, upon turnover, will be either held by or made available to a LMI person in a manner similar to that pertaining to a newly created job).

- Note that, since the determination of LMI status is to be made based on income at the time the CDBG assistance is provided, a person who occupies a high-paying but low-skilled job may not qualify as a LMI person in a retained job, but the same job might be filled by a LMI person if it were to be created (instead of retained) or if it were to become available to be filled through turnover by a LMI person.
- For retained jobs, the family (household) must be LMI at the time the job is retained. Thus, a high-paying unskilled job might count as a created job but might not be counted for retention except for turnover purposes.
- For an activity that retains jobs, the grant recipient/business must document that the jobs would be actually lost without the CDBG assistance. If at least 51% of the jobs to be retained at the time the CDBG assistance is provided, then the job(s) are known to be held by a LMI person. If the job can reasonably be expected to turn over within the following two years, and that it will be filled by, or steps will be taken to ensure that it is made available to a LMI person upon turnover, then the job can be counted as a retained job.

Jobs that can be counted:

Part-time jobs are converted to FTEs, and only permanent jobs count (temporary may not be included).

Seasonal jobs are considered permanent only if the season is long enough for the job to be considered the employee’s permanent occupation.

All jobs created or retained by the activity must be counted (even if the activity has multiple funding sources). If “additional” jobs are created, they must be counted and meet the LMI test also. Jobs created or retained by an assisted activity (i.e., a “spin off” job) may not be counted (for example, jobs created by an unrelated company which supplies the business firm being assisted). See the special requirements for “aggregation of jobs” when there exists multiple benefited businesses.

Provisions for aggregating jobs:

As a general rule, jobs from each business receiving CDBG assistance must be considered separately for purposes of demonstrating compliance with the LMJ requirements. Even if the state or its grant recipient considers the CDBG-funded activity to be a business loan fund, HUD generally considers assistance to each business as a separate activity. However, there are certain circumstances under which state grant recipients may aggregate the jobs created or retained by two or more assisted businesses for this purpose, as follows:

- Where CDBG funds are used to acquire, develop, or improve real property (for example, a business incubator, an industrial park, or shopping mall), *jobs may be aggregated* for all of the businesses which locate on the property, provided such businesses are not otherwise assisted with CDBG funds.
- Where CDBG funds are used for public facilities or improvements (infrastructure), that will result in the creation or retention of jobs by more than one business, the jobs created or retained by all such businesses as a result of the public facility or improvement *may (and sometimes must) be aggregated*, using the following ground rules:

When aggregating jobs is required:

Where such an improvement (to infrastructure or public facilities) is undertaken for the benefit of one or more specific businesses, but the improvement clearly benefits other businesses or allows other sites to be developed, jobs created or retained as a result of the public improvement, by all businesses in the service area of the infrastructure, *must be aggregated*.

EXAMPLE: A city's existing industrial park is fully developed and cannot accommodate a new metal stamping plant that wishes to locate in the city. The city buys an adjoining parcel, divides it into four lots, and uses CDBG funds to install water, sewer, and roads through the parcel to serve the new plant. However, the other three lots in the parcel are now developable because these improvements serve them too. The city must aggregate the metal stamping plant jobs plus any jobs which are created or retained as a result of other businesses subsequently locating on the other three lots—even if no other business had committed to locate there at the time the improvements were constructed.

PROVIDED: Where such an improvement is undertaken principally for the benefit of one or a few particular businesses, and the cost (in CDBG funds) for the facility/improvement amounts to *less than \$10,000 per job* to be created or retained by those businesses, only the jobs created or retained by those specific businesses for which the facility/improvement is principally undertaken need to be aggregated. The state grant recipient can disregard any incidental job creation that might occur because other businesses might also benefit from the improvement.

PROVIDED: Where the CDBG cost per FTE job expected to be created or retained is \$10,000 or more, jobs created or retained as a result of the public improvement, by all businesses in the service area of the infrastructure, *must be aggregated*. The aggregation must include all businesses which, as a result of the public improvement, locate or expand in the service area of the improvement *between the date the state awards the CDBG funds to the state grant recipient and the date one year after the physical completion of the facility/improvement*.

EXAMPLE: The state provides a CDBG grant to allow the city to double the capacity of its sewage plant (and handle a new poultry processing plant), at a cost of \$11,200 per new poultry plant job. Over the next 12 months, four new businesses decide to locate in town, because the city has sufficient sewage treatment capacity to handle their effluent. The city must aggregate job creation figures for the poultry plant plus the four new businesses.

Records to be maintained:

Maintaining records to demonstrate LMJ compliance can be quite challenging. Not only do businesses often dislike having to provide special reports or keep special records, but individuals who hold a job to be retained or who are

taking or being considered for a newly created or a “turnover” retained job may resist providing information concerning their family (household) income. The following outlines the records that must be kept:

The following guidelines apply to projects creating or retaining jobs:

When CDBG grant assistance is provided to a business for the purpose of creating or retaining jobs, the grant recipient must have on file a *written agreement with the business* in which that business agrees to retain or create a specific number of jobs, including the following details (if applicable):

- Identifies each such job by type and whether the job will be full- or part-time. Part-time jobs must be defined in full-time equivalency status (noting hours etc).
- The business must identify job titles and job types following the EDA (Economic Development Administration) job descriptions, and include job prerequisites (which includes, for semi-skilled jobs, any special education or experience required).
- The agreement must also specify the actions the business and the grant recipient will take to ensure that at least 51 percent of the jobs created or retained will benefit LMI persons.
- The agreement must also specify the “baseline” employees (that is, document positions that exist prior to the creation of new jobs) along with records to support the baseline determination to evidence that newly created positions are not redundant or duplicative. Records should include a listing, by job title, of employees at the time the application for assistance.
- When demonstrating that at least 51 percent of the jobs created will be made available to LMI persons, documentation must include a written commitment by the business that it will make at least 51 percent of the jobs available to LMI persons and will provide training for any of those jobs requiring special skills or education. and for semi-skilled jobs, any special education or experience required. Records should include a description of how the LMI status of those given first consideration was determined.
- The program records also must document which jobs were actually created and retained, whether each such job was held by, or made available to a LMI person.
- To show evidence that the hiring practices *under usual circumstances* would result in over 51% of LMI persons interviewed for the jobs being hired, documentation may include (for example):
 - Evidence to support the conclusion that a majority of jobs will be filled by LMI persons, such as company policies, labor market search areas, special conditions or history of the business, etc.
 - Evidence to assure accessibility of the jobs to areas where substantial numbers of low- and moderate-income persons reside.
 - Evidence to support any special outreach or training to be directed toward LMI persons, which may include day care facilities, busing of workers to the job site, allowances or stipends for extra travel involved, etc.
 - Include a statement that the business agrees to provide necessary personnel records during the life of the project (and after, if a longer maintenance period is called for). Note that it is best to not include sensitive data (employee social security numbers, for instance) in the CDBG file.
- The grant recipient will need to decide which subcategory it wants to qualify the activity under and record that decision in the loan agreement. This is important so that the HUD, the State, the business and the grant recipient will know which criteria are being applied. The method chosen must be stated clearly at the onset of the project.

Documenting the LMI status of an applicant or employee:

The grant recipient can use any combination of documenting income status for the persons benefiting from a job creation or retention activity, from the following list:

- A written self-certification by the employee or applicant of his/her family size and total income that is signed and dated. The certification can either include actual size and income of family or can contain a statement that the annual family income is below the income limit for the applicable family size; *OR*,
- Referrals from an agency that has agreed to refer individuals who are determined to be LMI based on HUD's category. (Agencies must maintain records, which must be available to the state or federal inspection, showing the basis for determining that the person was LMI); *OR*,
- Qualification of employee or application for assistance under another program with income qualification that are as restrictive as those used by the CDBG program. Examples include referrals from Public Housing, Welfare Agency, or the JTPA Program, with the exception of the JTPA Title III program for dislocated workers; *OR*,
- Evidence that the individual is homeless; *OR*,
- Evidence that the individual may be presumed to be LMI by way of residence address and poverty rates of applicable census/American Community Survey tract.

Other Considerations:

Note that certain job creation or retention activities may also be undertaken by a CDFI or as part of a Community Revitalization Strategy and thereby could meet the L/M income benefit national objective based on area benefit in lieu of jobs. Other national objectives that benefit LMI persons may be easier to document or more appropriate based on the nature of the CDBG ED project, including LMC (Limited Clientele) or LMA (LMI on an Area Basis). These alternative national objectives are discussed elsewhere, but work for CDBG ED purposes.

LMJ Creation and Retention Documentation

- Written agreement with the business in which the following is specified:
- Evidence supporting the estimate of the total number of jobs.
- A listing, by job title, race, ethnicity, gender and handicapped status of the permanent jobs created, and which jobs were made available to low- and moderate-income persons, and a description of how first consideration was given to such persons for those jobs. That description should include the hiring process used; the number of low- and moderate-income persons considered for each job; and the number of low- and moderate-income persons actually hired.
- A description of how, the total number of jobs was determined.
- A listing, by job title, race, ethnicity, gender and handicapped status of the permanent jobs actually created and those initially taken by low- and moderate-income persons.
- A description of how the low- and moderate-income status of those hired was determined by the state during the review of the recipient.
- A written commitment by the business to meet the standard for retained jobs involving the employment of low- and moderate-income persons.
- A listing by job title, race, ethnicity, gender and handicapped status of the employees at the time the assistance is provided.
- A written commitment by the business to meet the standard for retained jobs involving the employment of low- and moderate-income persons.

Section 2.02 Compliance with State Priorities

The State of Nebraska identified five priorities, which summarize the goals of the five-year Consolidated Plan. The main priorities and objectives within the current Program Year Annual Action Plan (AAP) include:

- Housing Priority Need
- Community Development Priority Need
- Economic Development Priority Need
- Homeless Services Priority Need
- HOPWA Services Priority Need

Through the development of the Consolidated Plan it was determined that there were **three objectives** guiding the proposed activities that include:

- Provide Decent Housing
- Provide a Suitable Living Environment
- Expand Economic Opportunity

Three outcomes were developed to show how programs and activities would benefit a community or the persons within a community served. The three outcomes that will illustrate the benefits of each activity funded by the CDBG, HOME, HTF, ESG, or HOPWA Programs are:

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

Section 3.01 Compliance with Economic Development Priority

The objective of the Economic Development (ED) category is to assist businesses which expand the state's economic base and which create quality jobs principally benefiting employees in the low-to-moderate ("LMI") income levels. CDBG is a funding source from the U.S. Department of Housing and Urban Development ("HUD"). The federal statutory authority for the CDBG program is the Housing and Community Development Act of 1974, as amended ("HCDA"), codified at 42 U.S.C. §5301 et seq.

Section 3.02 Federal Requirements

Applicants and benefited businesses must be aware at the outset of the existence of a host of federal statutes and regulations that have scheduling, cost, and substantial paperwork implications when CDBG funding is used for ED projects. **Businesses must be prepared to accept delays and other requirements and should not harbor unrealistic expectations about the speed with which a project may develop.** The following listing is by no means comprehensive. The below list highlights three areas of the most common requirements:

- **Environmental Review:** Federal statutes (the National Environmental Policy Act and HCDA) and HUD implementing regulations (24 C.F.R. Part 58) require that **CDBG-assisted projects must have an appropriate environmental review process completed prior to costs for the project being incurred (and other "choice-limiting actions")**. This process must be documented with an appropriate environmental review record. The environmental review process and its documentation are the responsibility of the applicant unit of general local government. The entire project, often referred to in these contexts as the entire footprint of the project—not just the portion of the project involving CDBG-funded activities—must be aggregated when reviewing the project's environmental impact. In order for a project application to be considered complete for submission to the Department, **there must be a completed environmental review process and record in place and sufficient evidence of its completion must be included with the application**. Specific discussion of the environmental review requirements, including flowcharts (with timing requirements) and forms may be found in Chapter 6 "Environmental" of the *Nebraska CDBG Administration Manual*. **The time required to complete the entire environmental review varies considerably depending on the facts and circumstances**

of each project, and is often underestimated by businesses and applicant communities. The process can take a few days to as much as several months. In many projects, clearing the environmental review "hurdle" is a time-consuming task and delays in project implementation arising from this process should be anticipated by applicants.

- **The Davis-Bacon Act and Related Acts (DBRA):** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of \$2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then DBRA becomes applicable to the entire construction work. *Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are involved in the overall project, which may involve construction work.* Note also that use of funds for construction work does not trigger DBRA requirements.
- **HUD Required Employee Reporting (LMJ Only), Business Financial Reporting, and Other Record Keeping Requirements:** The benefited business and the applicant governmental unit have various, periodic, employment and financial reporting and record keeping requirements pursuant to CDBG regulations. The benefited business must keep a record of the Employee Certification Form (a self-certification of household income that is used for determining low to moderate income status for new hires or for a retention survey). Grantees are required to submit semi-annual Project Status and Job Creation Reports and final reports necessary for close-out of the grant. Requirements for retaining records are addressed in the CDBG Contract. It is strongly recommended that records be maintained for as long as any loan remains outstanding, and at least three years have passed since the close-out of the grant.

Section 3.03 Other Considerations Affecting Project Eligibility

Intrastate Relocation:

CDBG ED funds cannot be used in a project which relocates a business from one Nebraska community to another Nebraska community, unless the business obtains the written approval of the appropriate community officials of the community which is losing the business. This has been a longstanding policy of the Department, designed to avoid putting the Department in the position of financially enabling a "raid" of one Nebraska community by another. It is the responsibility of the business to resolve matters with the community from which it is departing, in order to obtain the approval by that community required by the Department. In addition to such community approval, the Department must conclude there are compelling business reasons for—and compelling public benefits associated with—the relocation, in order to assist such an intrastate relocation.

Additionally, impacting intrastate relocation is the job-pirating prohibition in the HUD CDBG regulations (explained below). These prohibitions may be applicable to, and possibly pose a barrier to, using CDBG ED funds for relocating a business from one Nebraska community to another Nebraska community.

Prohibition on Use of CDBG Assistance for Job-Pirating Activities:

The federal statute [HCDA, codified at 42 U.S.C. §5305(h)] and implementing regulations issued by HUD [24 C.F.R. §570.482(h) for state programs, effective June 23, 2006] establishing this anti-pirating policy, prohibit the state (and state grantee communities) from using CDBG funds for "job-pirating" activities that are likely to result in significant job loss in the Labor Market Area (LMA) from which the business is relocating. The regulation basically targets businesses that move (or expand) existing operations from one LMA to another LMA. Relocations within a LMA are not subject to the regulations.

The regulations prohibit providing CDBG funds to for-profit businesses (including expansions of existing businesses) if the funding will assist in the relocation of a plant, facility, or operation (terms defined in the regulations)—and—if the

relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs. A "significant job loss" is not defined in the statute, but is defined in HUD regulations. The regulation uses measurements of:

- **500** jobs lost in a LMA as being definitionally a significant loss; and thus CDBG funds cannot be used in such cases.
- **25** or fewer jobs lost in a LMA as being definitionally not a significant loss; and thus not a job-pirating problem, so CDBG funds can be used in such cases.
- **26-499** jobs lost may be a significant job loss if the lost jobs are equal to or greater than one-tenth of one percent (0.1%) of the total number of persons in the labor force of the LMA from which the proposed business relocation would occur. As an example, 26 jobs lost would be a significant job loss in a LMA with a labor force size of 26,000 people.

Grants to communities for infrastructure improvement that aid the relocation of a specific business, and which are justified for CDBG funding as meeting the national objective of benefiting LMI persons through job creation/retention agreement by a specific business, are covered by this anti-pirating rule, being considered the same as directly assisting the relocating business.

Under the regulations, a job will be considered to have been relocated if positions are eliminated at an existing operation within three (3) years of the time when CDBG funding assistance was provided to the expansion site operation of the business.

Certifications (by the business, as to non-relocation of jobs) are required by the regulations to be part of the agreement which governs CDBG assistance to the business. These certifications are made by the business, not by the grantee community. The business must also contractually agree that if significant job losses do occur (within a 3-year window) at an existing location from which an expansion was CDBG assisted, then the business will reimburse the CDBG recipient (the community) for CDBG assistance provided to the business (directly) or expended on behalf of the business (e.g., infrastructure improvement project). These certifications and agreements to reimburse, by the business, must be a part of the MOU for the project.

The community being provided CDBG funding by the Department has the burden of collecting the necessary labor force data and determining whether a significant job loss will occur as a result of the proposed relocation. This assessment will be part of the normal "packaging" and application process for the project. States are permitted (but not required) to determine/define applicable Labor Market Areas (LMAs) in non-metropolitan areas of the state. If this is done for Nebraska, the Department will make its determinations known, through these guidelines or other publication methods. If no differing definitions are made by the Department, the LMAs defined by the U. S. Department of Labor will be used. At the time of the writing of this portion of these guidelines: the "default" designations of the LMAs are found at the Bureau of Labor Standards website at <http://www.bls.gov/lau/lmadir.pdf>; and labor force data by county (annual averages) are found at the Bureau of Labor Standards website at <http://www.bls.gov/lau/home.htm>.

The HUD regulations in this area are fairly lengthy and filled with definitions, exceptions, time limits, reporting requirements, and explanations. The guidelines explanations above are not intended to be a full explanation of this rather complicated set of newly imposed (in 2006) CDBG restrictions. The full text of the regulations must be read and understood in order to achieve compliance. The publications of the regulations by HUD appear in the Federal Register for December 23, 2005, Volume 70, Number 246, pages 76362-76371—and—in the Federal Register for May 24, 2006, Volume 71, Number 100, pages 30026-30027.

Section 3.04 Eligible Activities and Forms of CDBG Assistance

Activities assisted with CDBG funds must be eligible under HCDA, CDBG regulations, and other HUD requirements, and must be eligible under the Department's CDBG ED category. Generally, eligible activities include:

- Loans to for-profit businesses (through the applicant community) for a variety of business purposes
- Public facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons

Section 4.01a Maximum Amounts of Awards

The maximum amount for ED activities is \$1,000,000, exclusive of supporting project and general administrative costs. For the current program year, anticipated allocations by category see the Annual Action Plan, <http://opportunity.nebraska.gov/reports>.

General Administration include includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports, and drawdowns. Matching funds are not required. Up to \$10,000 can be used for general administration.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of \$10,000 in CDBG funds can be used under Activity 0380. **Where the maximum is not used, by contract budget amendment these funds can be moved to other project-activities, not general administration activity costs.**

Section 4.01b Public Benefit Standards

CDBG awards are limited to a maximum of \$35,000 per FTE job created or retained. There are incentives (in scoring the project) for awards that are less than the maximum. If the project activity provides goods or services, the amount of CDBG funds allowed for that activity cannot exceed \$1,000 per LMI person served, but must be at minimum \$350 per LMI person served. These limits are known as the Public Benefit Standard and are part of the federal limitations described in 24 CFR 570.482(f).

Section 4.01c Maximum Amount of CDBG Loan Forgiveness to a Benefited Business

The aggregate amount of forgiveness to a benefited business from the CDBG ED category may be an amount up to the total award, and will be determined by DED.

Section 4.02 Matching Requirements

All CDBG ED category projects require a minimum 1:1 match of CDBG funds with funds from other (non-CDBG) sources. Put another way, CDBG funds can be no more than 50% of the total project cost. The exceptions to this matching requirement are CDBG funding for general administration of project activities and funding for Construction Management activities – these do not require matching funds. Note that the matching requirement for public facilities (infrastructure) projects undertaken for economic development purposes (a particular form of CDBG assistance discussed later in these guidelines) cannot be met using the benefited business' investment, e.g., the construction of a new plant, but rather must come directly from the applicant community, and the matching funds must be invested in the infrastructure project.

Section 4.03 Program Income and Reuse Plans

Program income for the state's program under the CDBG ED category is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG ED award will be governed by the policies written in the Department's Annual Action Plan and the (5-year) Consolidated Plan section "Program Income". Related policy guidance can be found in the *Nebraska CDBG Administration Manual* in Chapter 8 "Program Income".

The State CDBG objective for program income is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State is seeking to provide a policy for use of program income that coordinates local and State resources to the fullest extent possible. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations.

Program Income – Definition:

Program income is defined as gross income received by a State, a unit of general local government, or a subgrantee of the unit of general local government that was generated from the use of CDBG funds, regardless of when the CDBG funds were appropriated and whether the activity has been closed out, except in limited circumstances [See also 24 CFR 570.489(e)(2)]. When program income is generated by an activity that is only partially assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used.

All program income is and remains subject to all requirements of the HCDA and CDBG regulations. Program income which may become a part of a Department approved community CDBG revolving loan fund remains subject to all requirements of the HCDA and CDBG regulations. This means all loans made from such a fund, including second and subsequent generation loans, are, and continue to be, subject to all CDBG requirements. Program income includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds except in instances where the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government." [See also 24 CFR 570.489(e)(2)(v)];
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by the unit of general local government or subgrantee of the unit of general local government with CDBG funds, less the costs incidental to the generation of the income;
4. Gross income from the use or rental of real property, owned by the unit of general local government or other entity carrying out a CDBG activity that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
5. Payments of principal and interest on loans made using CDBG funds;
6. Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs;
7. Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs;
8. Interest earned on funds held in a revolving loan fund's cash balance interest-bearing account;
9. Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low and moderate income, if the special assessments are used to recover all or part of the CDBG portion of a public improvement; and
10. Gross income paid to a unit of general local government or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

Program Income – Same Business/Same Activity Rules:

Federal regulations also allow the State to require the return of program income provided the local government has an opportunity to retain the program income if the program income will be used to continue the activity from which it was derived. The State is permitted to define “continuing the same project activity.”

For the purposes of program income, “continuing the same project activity” will be defined as:

For local governments with existing program income in an existing Local ED Revolving Loan Fund, or who are currently utilizing the NDO process (see below), continuing the same project activity will include providing assistance for the same CDBG eligible activities as defined in the grantee’s new DED-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).

For newly awarded economic development grantees, with new program income that may be deposited into an existing Local ED Revolving Loan Fund; a new Local ED Revolving Loan Fund; or who may be utilizing the NDO process, ***continuing the same project activity will include providing assistance to the same business for the same activity for which it was originally funded.***

Economic Development Program Income Options:

The unit of general local government (also known as the local government or “UGLG”) has the following options for utilizing CDBG program income that a local government may receive. These options include:

- 1) Returning the program income funds to DED;
- 2) Using the program income within an existing Local ED Revolving Loan Fund;
- 3) Establishing a Local ED Revolving Loan Fund; or
- 4) Utilizing the NDO process.

Funds in a Local ED Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations. Of these options, the Department prefers and encourages UGLGs to utilize the NDO process first, and if not available, then to return the program income funds to DED (due to the complex nature of administering the funds). ***If the local government wants to keep the program income (in conjunction with the Revolving Loan Fund options), be aware that the “same activity, same business” rules make re-use of the funds problematic and difficult.*** These options are explored more fully in the section “Program Income” Chapter 8 of the *Nebraska Community Development Block Grant Administration Manual*.

Program Income – Administrative Costs and Required Use of Certified Administrator:

Economic Development Revolving Loan Funds must be administered by a Certified Administrator.

Local governments can charge (expense) up to 5% of program income received during a time period for general administration, provided the local government documents its administrative expenses (with receipts, timecards for payroll allocation, etc.).

Program Income -- Utilizing the NDO process:

A unit of general local government may seek to form a sub-grantee relationship with a local (or regional) nonprofit organization to carry out the CDBG activities on behalf of the local government. The local government funded by the State for an ED project, or a local government with an existing Local ED RLF, would grant the CDBG funds awarded to a Nonprofit Development Organization (NDO), such as a community development organization or a local/regional economic development corporation. The NDO must be recognized by the State (through an application and approval process) according to the requirements of 24 CFR 570.204 to carryout funded activities through a contract with the local government grantee for activities in which it retains a direct and controlling involvement and responsibilities for the provision of financial assistance to the community’s ED project.

The NDO process includes, but is not limited to, the following:

- The local government, which is a recipient or grantee of State CDBG funds, wishes to make a loan to a for-profit business for economic development activities in accordance with the State's program requirements.
- The local government executes an agreement with the NDO and sub-grants the funds to the NDO, which executes the loan agreement for the CDBG funds loaned to the for-profit business.
- The repayment of the CDBG loan is made to the NDO, and not to the local government, and the NDO retains the payments for future use through a Revolving Loan Fund (RLF), which includes a NDO Reuse Plan approved by DED through the NDO designation (application/approval) process. The approved NDO Reuse Plan must ensure that activities funded by the RLF meet broad based economic development objectives. The funds repaid to the NDO to continue economic development activities would not be considered program income. The NDO, the local or regional nonprofit organization, would use the repayment of the funds from the for-profit business to make additional loans, such as for economic development activities.
- The NDO reinvests in the community through its established RLF, which can fund additional loans in the service area of the NDO.

As an example of this process, the NDO would carry out the activities of the grant awarded to the local government for assistance to the for-profit business. During this period, the local government would ensure that all CDBG rules and regulations were followed for this initial loan. The repayments from the business to the NDO's RLF would not be considered program income provided that the business meets the national objective requirements. Subsequent loans by the NDO using those funds repaid to the RLF would only have to meet those requirements in the DED-approved NDO Reuse Plan established by the NDO. Funds would be reinvested in broad based economic development activities.

It will be the responsibility of the local government, in coordination with the NDO, to determine the entity responsible for carrying out the activities of the ED project and the entity that will be responsible for administering the project. In some instances, there may be one entity carrying out the project activities and a separate entity administering the grant. Grant administration (including Construction Management activities) and carrying out CDBG activities on behalf of the local government grantee are two separate activities.

Program Income – The NDO Process and “De-federalizing” the Funds:

If the benefited business repays the loan to the NDO and achieves the national objective, the funds are no longer subject to the Federal CDBG requirements, but are considered to be “de-federalized”. Subsequent re-use of the “de-federalized” funds by the NDO are not subject to continuing CDBG restrictions, but are instead allowed to be used in accordance with the approved NDO Re-Use Plan. The funds in this case, after repayment to the NDO, are no longer considered to be Program Income, and thus are not subject to the requirements of the HCDA and CDBG regulations. This process also allows for the funds to be re-used within the NDO's service area (which represents a larger region).

More information about NDOs, including a list of the approved NDOs in Nebraska, can be found on the DED website.

Section 5.01 Overview of the CDBG Economic Development Process

Principal phases in the process of approval of CDBG ED projects are:

- An initial expression of interest by a business wanting to utilize the CDBG program to locate or expand in a particular community, leading to preliminary eligibility and "fundability" review by economic development representatives from the community and from the Department.

- If basic thresholds of eligibility are satisfied, further discussion and information assembly and review will be conducted by interested stakeholders. These stakeholders are typically the Department, benefiting business, financial institutions and others providing project funds to the business, and the applicant unit of local government. Particulars are refined, various issues are identified and resolved, financial commitments from non-CDBG funding sources are obtained, and the project may be preliminarily discussed between Department packaging staff and the Department's Project Review Committee. The environmental review process (discussed elsewhere in these guidelines) is normally ongoing at this stage of project development. Eventually, all necessary stakeholders involved in the project make their project commitments in a written agreement required by the Department for all projects, called a Memorandum of Understanding ("MOU"). The form and content of the MOU must be acceptable to the Department and must satisfy various regulatory requirements of the CDBG program. This is best accomplished by having the MOU drafted by the Department and then reviewed by other parties (and modified as necessary to reach a mutually satisfactory agreement). The Department is the last party to sign the MOU, and this occurs only if, and not until, a project is approved.
- The project enters a phase where the formal application is prepared and submitted to the Department for review. In the review process, the application serves as the final, complete documentation package for consideration of project approval (or not) by:
 - the Department's Project Review Committee; and then,
 - by the Department's Director; and then,
 - if the Department's Director approves the project, the Department issues a Notice of Approval.
- Such Notice of Approval is the official notice of the approval of the award. No other communication or document, oral or written, from any other source, substitutes for the Notice of Approval issued by the Department. The Notice of Approval will, in normal circumstances, also contain additional language authorizing proceeding with project activities (including hiring employees), and authorizing incurring project costs. ***Note that at this point, these authorizations are allowed by the Department to accommodate the business to proceed as quickly as possible with project implementation—but, lacking a Notice of Release of Funds, the community and the business incur costs at their own risk.***
- When all conditions required by the administrative contract between the Department and the unit of local government have been satisfied, the Department issues a Notice of Release of Funds. Issuance of a Notice of Release of Funds is the final step, which allows project to be fully authorized to be paid under the CDBG award and reimbursed by the Department to the community (and further passed-through to the business).

The review process by the Department Project Review Committee is based on the individual and collective judgments of Committee members, in consultation with other Department staff as necessary, applying an objective scoring process based on various criteria. A group/consensus decision is reached evaluating the merits of each application and deciding whether to fund, and if positively determined, at what level of funding. Applications for CDBG ED awards are accepted and considered on a continuous, open cycle.

Section 5.02 Application Timing

Applications for CDBG ED awards are accepted and considered on a continuous, open cycle. The Department will consider only fully complete applications. The requirements for a complete application are set forth later in these guidelines. Applications must be submitted as a hard copy to the address listed below, and electronically via Sharefile (<https://negov.sharefile.com/r-rda1013ac27149e4a>).

Nebraska Department of Economic Development
 ATTN: CDBG ED Application
 PO Box 94666
 Lincoln, NE 68509

Please note that a submitted application includes having completed the environmental review process prior to submission of the application.

The process of application review involves consideration and recommendation by: the Project Review Committee, and, finally, the Department Director. A formal Notice of Approval letter will be sent by the Department to an applicant community receiving application approval. The approval decision will normally be completed within one month after receipt of the fully complete application.

Section 5.03a Application Decision-Making Scoring Criteria

There are **two** types of scoring criteria: **1) for Nebraska Advantage Qualified Business** and **2) for Essential Goods or Service Business**, but both follow the parameters of the selection criteria matrix below. The maximum number of points available within any application is 110 points. A minimum score of 25 points is required.

1. Nebraska Advantage Qualified Business Scoring Criteria: The general scoring criteria for the Program include 110 points available for any application. These criteria include: CDBG Funds Utilization; Community Impact and Investment; Business Factors; and Economic Development Certified Community. The Department's Project Review Committee considers the following criteria, and uses the following scoring spectrum, when evaluating whether an application meets the minimum threshold requirement. A project scoring less than 25 points does not meet the minimum threshold for further consideration by the Project Review Committee. Scoring 25 points is a necessary condition for further consideration; the minimum threshold is not the only determinate for a favorable recommendation submission by the Project Review Committee.

Selection Criteria	Maximum	Threshold Minimum
1. CDBG Funding Utilization	35	-
2. Community Impact and Investment	30	-
3. Business Factors	40	-
4. Economic Development or Leadership Certified Communities	5	-
Total	110 points	25 points

CDBG Funding Utilization

Maximum, 35 Points

CDBG Funds Invested Per Job Created/Retained

- \$35,000 or more = 0 points
- \$30,000 to <\$35,000 = 4 points
- \$25,000 to <\$30,000 = 8 points
- \$20,000 to <\$25,000 = 12 points
- \$15,000 to <\$20,000 = 16 points
- <\$15,000 = 20 points

CDBG Funding Compared To Total Project Funding (As %)

- 50% = 0 points
- 33% to <50% = 2 points
- 20% to <33% = 6 points
- <20% = 10 points

Aggregate Wages (And Benefits) Paid To Employees in Created Jobs within One Year Compared To CDBG Funds Invested (As %)

- 100% or less = 0 points

- >100% to <125% = 2 points
- 125% or more = 5 points

Community Impact and Investment

Maximum, 30 Points

Location of community as more economically distressed than others, based on three broad location sectors:

- Larger Community/County Locations = 10 points
Include: Beatrice, Columbus, Fremont, Hall County, Hastings, Kearney, Norfolk, North Platte, Scottsbluff/Gering, South Sioux City, Douglas County, Lancaster County, and Sarpy County
- Not one of the Larger Community Locations, but in the Interstate 80 Corridor = 20 points
- Rural (Encompassing All Locations Not Within The Two Location Sectors Above) = 30 points

Business Factors

Maximum, 40 Points

Owners' Equity in Project = 12 Points Possible

- 10% Or Less = 0 points
- >10% To 20% = 4 points
- >20% To 33% = 8 points
- >33% = 12 points

Loan Collateral and Loan Guarantees = 6 Points Possible

- Unsecured, Or A Junior Lien Position Offering Little Realizable Value = 0 points
- For The Spectrum In Between = 1-5 points
- Reasonably Secured As To Collateral Value And Liquidity, With Guarantees In Existence = 6 points

Established Business, Or Start-Up Venture = 6 Points Possible

- Start-Up Venture With All The Usual Risks Of Failure = 0 Points
- Established Business, But With Negative Trends = 3 Points
- Established Business With Positive Trends = 6 Points

Documentation of Funds Commitments by All Other Project Funds Sources = 4 Points Possible

Duration of Commitment to Maintaining the Created/Retained Jobs = 2 Points Possible

- Committing to maintaining only for the minimum required by the Department's guidelines = 0 points
- Committing to substantially more than the minimum = 2 points

Targeted Industry = 10 Points Possible

Economic Development/Leadership Certified Community

Maximum, 5 Points

Points will be awarded in this section for applicants that are designated as:

- Economic Development Certified Community
<https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>
- DED Leadership Certified Community
<https://opportunity.nebraska.gov/program/leadership-certified-community/>

2. Essential Goods and Services Business Scoring Criteria: The general scoring criteria for the category include 110 points available for any application. These criteria include: CDBG Funds Utilization; Community Impact and Investment; Business Factors; and Economic Development Certified Community. The Department's Project Review Committee considers the following criteria, and uses the following scoring spectrum, when evaluating whether an application meets the minimum threshold requirement. A project scoring less than 25 points does not meet the minimum threshold for further consideration by the Project Review Committee. Scoring 25 points is a necessary condition for further consideration; the minimum threshold is not the only determinate for a favorable recommendation submission by the Project Review Committee.

Selection Criteria	Maximum	Threshold Minimum
5. CDBG Funding Utilization	35	-
6. Community Impact and Investment	30	-
7. Business Factors	40	-
8. Economic Development or Leadership Certified Communities	5	-
Total	110 points	25 points

CDBG Funding Utilization

Maximum, 35 Points

Describe the existing or imminent problem and/or an assessment of the identified community need for the business. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions. Identify past formal or informal community/ business efforts to resolve the problem. Demonstrate the capacity and commitment to successful completion of the project.

Points in this section include:

- 0-10 points—inadequately defined, below average
- 11-25—reasonably defined, average compared to other applicants
- 26-35—well-defined, above average

Community Impact and Investment

Maximum, 30 Points

Describe the importance of business to the community and provide clarity on how the business benefits those identified according to the LMI CDBG National Objective for the customer service area. The significance of the project impact scored as compared to meeting the needs by the impact of the project. The application narrative shall be scored for clear and concise description of:

- Clearly defined goals and objectives to address the identified community problems;
- How the essential business will benefit the community, especially low- and moderate-income and special needs persons within the service area;
- The alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.
- Identify the nearest community business that provides similar goods or services that the applicant is providing. Include mileage.

Points in this section include:

- 0-9 points—inadequately defined, below average
- 10-20—reasonably defined, average compared to other applicants
- 21-30—well defined, above average

Business Factors

Maximum, 40 Points

A description of prior and concurrent efforts related to the business efforts/ strategy and/or work plan for meeting solutions to community needs. Identify the business factors in terms of readiness to proceed:

- a) Owner's Equity within the project
- b) Loan collateral and loan guarantees. Indicate if the loan is secured or unsecured.
- c) Documentation of funding commitment.
- d) Business Plan

Points in this section include:

- 0-15 points—inadequately defined, below average
- 16-28—reasonably defined, average compared to other applicants
- 29-40—well-defined, above average

Economic Development/Leadership Certified Community

Maximum, 5 Points

Points will be awarded in this section for applicants that are designated as:

- a) Economic Development Certified Community
<https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>
- b) DED Leadership Certified Community
<https://opportunity.nebraska.gov/program/leadership-certified-community/>

Section 5.03b Underwriting & Decision-Making Criteria

Underwriting Criteria:

The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that state programs administering federal CDBG funds will achieve the federal objectives of the CDBG program. The underwriting standards—the decision-making criteria—used in the Nebraska CDBG ED category are designed to address these federal guidelines.

The federal CDBG guidelines, as applied by the Department, may be summarized as follows:

1. **Project costs must be reasonable**, not excessive, and must be supported by cost analyses. Transactions must be carried out through arms-length transactions, not insider arrangements.
2. All proposed **sources of financing necessary to carry out the project must be committed**. This ensures that time and effort is not wasted on assessing proposals, or awarding funds to projects, that are not in a position to proceed to project completion within a reasonable time. To fulfill this requirement, the Department requires a written verification affirming the various funding parties' intentions to make funds available, and, depending on the nature of the funding party, a showing of their capacity to actually provide such funds.
3. To the extent practicable, **CDBG funds are not to be substituted for other funds**. This standard requires a financial underwriting analysis of the project. The level of analysis will vary with the nature and complexity of the project. Since projects in this category provide financing for for-profit businesses, appropriate levels of private source financing (e.g., bank loans) are expected to be present, and equity participation in the project must be sufficient given the financial capacity of those owning the enterprise.
4. The **financial feasibility of the project** includes a public benefit. The public benefit expected from the investment of CDBG funds is the creation and maintenance of LMI jobs. That benefit will not materialize if the project is not financially feasible.

5. Avoidance of providing an **unreasonable return on investment to the owner** of the project. The availability of non-interest bearing loans and forgivable loans to for-profit businesses presents a potential for this to occur which must be addressed in analyzing, and in judging the merits of, each project.
6. To the extent practicable, **CDBG funds should be disbursed on a pro rata basis** with other project funding sources. CDBG money cannot be the first money into a project, but rather should flow into a project in proportion to other project funding sources.

Applicants must recognize that CDBG ED funds are limited and not all applications are equally meritorious when viewed from the Department's state-wide perspective.

Decisions on applications by the Department Project Review Committee are based on the individual and collective judgment of Committee members, in consultation with other Department staff as necessary, applying analyses of objective criteria considered to be important in assessing whether to spend scarce federal CDBG dollars on a proposed project and in distinguishing among competing applications. A group/consensus decision is reached evaluating the merits of each application and deciding whether to fund, and at what level of funding.

Section 5.04 Use of Consultants

CDBG funds cannot be used to fund application preparation and Release of Funds must be received before engineering/architectural services or other project activities are eligible for reimbursement.

There are a number of reasons why a community may want to use consultants to assist with preparing a Community Development Block Grant application or administering a grant, such as when:

1. Work requires special professional services, such as accounting, architectural, engineering, legal, or planning services;
2. Local staff is inexperienced in the area of grant writing or project administration, or is already committed to other ongoing activities; or,
3. Work involves a short-term, but somewhat specialized project activity that does not justify hiring experienced, full-time staff.

Communities selected for CDBG funding will receive written guidelines regarding the federal and state requirements for selection of consultants to assist with project implementation, such as engineers, architects, planners, housing management administrators, or project administrator. The federal requirements do not apply to communities selecting consultants to assist with the preparation of an application; however, these costs are not eligible for reimbursement.

The **procurement process** for consultant selection must outlined in detail in accordance with *Section 5.04 (3) Competitive Proposals*. In specific instances, Exhibit K Procurement Process may be required at the time of application along with related supplemental documentation. Applicants shall complete Exhibit K1a/b if this process as described in *Section 5.04 (3)* will not be used. The applicant must state why and identify the process that will be used for selecting a consultant. This also includes the process used or electing the application preparer if that firm or individual is a part of or included in the process intended for selection of the consultant that implements the project. Exhibit K2 shall be completed if the procurement process is completed prior to submission of application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity. Additional information is available within *Section 5.02*.

Several points should be considered before selecting any consultant, engineer, architect, planner, housing management administrator, or other professional to help assure that the community will receive satisfactory service. Cost-plus contracts are prohibited.

1) **“Loss-Leader” Arrangements**

“Loss-leader” arrangements, where a consultant offers to prepare a grant application or preliminary engineering estimates at cut rates or at no cost in return for a future contract if the application is funded, are prohibited by federal regulations. Some firms may suggest this approach because costs incurred by a city or county prior to the award of CDBG funds, such as preparation of the application or preliminary engineering studies, not eligible for reimbursement. However, loss-leader arrangements violate federal regulations which require “maximum open and free competition.” Professional organizations also consider this practice unethical because it deprives the client of the benefits that can result from competition among competent, professional firms.

2) **Selection of Engineers, Planners, or Administrative Consultants Prior to Grant Award**

Generally, the use of **multi-services procurement** and contracting is prohibited, except for:

- a) When local officials decide to procure the services of an engineer to assist them with both preparation of preliminary engineering plans **(that is not grant application preparation)** and project engineering, in the event their community is selected for grant award;
- b) When a community wants to conduct one procurement process to cover both grant preparation and grant administration; and
- c) When a community wants to conduct one procurement process to cover both grant application preparation and grant implementation (contingent upon CDBG award).

On occasion local officials decide to procure the services of an engineer to assist them with both preparation of preliminary engineering plans and project engineering, in the event their community is selected for grant award. Likewise, some communities want to conduct one procurement process to cover both grant preparation and grant administration. This approach is permitted under federal procurement regulations. Obviously, in both cases, the selection process would occur prior to grant application. Any agreement between the community and the engineer or consultant that includes preliminary and project engineering or grant writing and administration services would have to be contingent upon award of CDBG funds. Any such contract also would have to have the prior approval of the Department of Economic Development to assure that federal procurement procedures complied with, and that all required federal clauses are included in the contract. Local officials would have to follow the procedures briefly outlined below under Competitive Proposals.

3) **Competitive Proposals**

Procurement by “competitive proposals” is a method used to meet federal and state requirements for soliciting architectural, engineering, legal, management, or accounting services. If your CDBG application is selected for funding, this is the procedure that is most appropriate to solicit and select professional services for your project. You may also want to use this procedure to select a consultant to assist you with the preparation of a CDBG application.

Competitive proposals are advertised and requested from several qualified sources.

HUD regulations for competitive proposals require the following:

- (1) Requests for proposals (RFP’s) or qualifications (RFQ’s) must be publicized and identify all evaluation factors and their relative importance.

For example: RFP evaluation criteria may include technical expertise of the firm and its personnel (25 points); past record of performance on projects of similar nature, including quality of work and cost control (25 points); familiarity with CDBG program (20 points); capacity of firm to perform the work within time schedule (20 points); and the nature and extent of services proposed versus estimated fees (10 points); etc.

In general, grantees should use RFP process for professional planning services.

- (2) Proposals must be solicited from an adequate number of qualified sources (at least three);
- (3) Grantees and sub-grantees must have a method for conducting technical evaluations of the proposals received according to the criteria specified in the RFP and for selecting awardees;
- (4) Awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and other specified factors considered; and
- (5) Grantees may use competitive proposal procedures for qualification-based procurement of architectural/engineering (A/E) professional services, whereby competitor's qualifications are evaluated and the most qualified competitor is selected subject to negotiation of fair and reasonable compensation.

The method where price is not used as a selection factor can only be used in procurement of Architectural or Engineering services (NOTE: this does not include professional planning services).

DED recommends sending RFP's to firms serving your region of the State. In addition to advertising in your local newspaper, you should also advertise in at least one other newspaper that is widely distributed in your region of the state. The community would evaluate the firms responding and could then conduct interviews with one or more of the firms responding and select a consultant. The community then negotiates a contract with terms and conditions to its satisfaction. Be sure to score all proposals received in accordance with the terms described and published with the RFP or RFQ, depending on the method used.

A response to an RFP should not be confused with competitive bid. A bid is an estimate of cost in response to detailed specifications. A response to a RFP in the competitive proposal process is a description of how a consultant proposes to approach solving your problem. Competitive proposals refer to the comparison of qualifications and may include fees where required or deemed appropriate. However, the main focus in selecting the consultant is to evaluate the content of the proposal and the consultant's qualifications and demonstrated competence.

4) **References**

Any time a consultant solicits your business you should always check references prior to contracting with them. Request a list of prior clients, showing the organization's name, address, phone number and contact person, as well as a brief description of the work performed. A list of the most recent clients is preferable (especially previous CDBG projects). Contact each reference. Some useful questions might be:

- Were you satisfied with the work?
- Was it performed on time?
- Was the consultant knowledgeable about the program?
- Were the tasks or work products prepared by the consultant useful?
- Did the consultant work with local staff to develop local capacity?
- Were the costs or charges reasonable? Did they stay within their original budget?
- Would you hire them again?

In addition, check to see if the work done for these clients is similar to what you want the consultant to do. The ability to write a grant application does not mean the same consultant has the capability to assist you with managing a grant.

Sometimes the firm you are interested in will be a new firm with few if any client references. New, small firms can be just as good as well established, large firms, so instead of asking for client references, you could ask for past employer references. **Checking references prior to contracting is the most important action you can take to avoid becoming involved with a less than satisfactory firm.**

5) Involve Local Staff

Whenever you retain a consultant to assist you with preparing a grant application or managing a CDBG project, make sure that someone from the city or county works with the consultant and understands the community's application or the management issues involved. You should have a local staff person become familiar with the regulations for the CDBG program and work closely with the consultant in developing the application or managing the project. A consultant is a technical resource.

Section 5.05 Program Specifics and Additional Required Documents

Documentation that may be required with your application:

There are many more facts and circumstances surrounding a business economic development project which are not contained within the basic application form and the basic exhibits. A complete application requires much more information in order for the Department to determine all applicable project eligibility requirements and to apply its underwriting guidelines to further assess the merits of the application. Consequently, the applicant must provide additional, comprehensive information, in formats appropriate to the type of information (i.e., there are no "forms"), which reveals and explains the project's eligibility; viability; impact on jobs and ability to meet the LMI national objective; business component factors; and community impact and commitment. Applicants may organize these and include them in the application materials in any logical manner.

Documentation required for every project is subject to the Department's discretion and includes:

- Memorandum of Understanding (MOU). Completed and signed by all parties (other than DED). The terms of the MOU serve to fulfill many CDBG regulatory requirements, so these MOUs are drafted by DED project staff in conjunction with other stakeholders in the project. The MOU is a joint agreement among the parties—the drafting function is spearheaded by DED staff. The MOU normally serves as the funding commitment document for all project-funding parties. It is necessary to adequately document the commitment to funding by the various funding parties. For those sources of funding which are not parties to the MOU (as might be the case for a bank), the application must include separate, satisfactory documentation of the commitment to the project by such funding sources who are not signatories to the MOU.
- A summary of the essential terms of the CDBG funded loan, including collateral requirements, maturity, and personal guarantees of the loan by principals of the business.
- A discussion of the reasonableness of project costs, including where appropriate for the particular project, cost estimates, appraisals, and engineering estimates.
- A showing of the citizen participation in the project required by the CDBG regulations, normally in the form of documents reflecting: the required Public Hearing Notice having been published and posted; the holding of the public hearing; and the outcome including a summary of any citizens' comments about the project. A second public hearing is required near completion of the project (before close out can occur).
- A showing of appropriate resolution of any intrastate relocation issues or national "anti-pirating" issues (refer to discussion of same earlier in these guidelines).
- A map of the location of the proposed project that shows the site in appropriate context for the community involved. Its purpose is to provide the Department with a rudimentary image of the business location which is often not obvious from site addresses and project narratives. See the Exhibits for detailed discussions.
- The written business plan associated with the project.
- Resumes of principals and other key personnel of the business.
- Historical, and pro forma, financial statements for the business (include any audited statements also).
 - balance sheets, cash flow statements, and income statements for up to three years (if applicable), and
 - pro forma balance sheets, income statements and cash flow statements for two years
 - Financial statements and/or federal income tax returns of personal guarantors, if applicable.

- A written, comprehensive, narrative, project summary addressing project viability, eligibility, ability to fulfill the LMI national objective, ability to repay the CDBG loan, financing commitments having been achieved, and the basic readiness to implement the project.
- Any additional information which in the judgment of the applicant would fully support the application.

Expectations for the Normally Allowed "Ramp- up" Time; Normally Required Job Maintenance Period: The Department's expectation for the normally allowed "ramp-up" time for the business to create the required jobs is 18 months from the Notice of Approval for the project. Longer durations of this ramp-up time are allowed in some project circumstances. Shorter durations may be imposed in some project circumstances. The normally required time for the business to maintain the created jobs is negotiable (usually 12 or more months), measured from the date of hire for each respective job. More nuanced and complicated definitions of the beginning and ending dates of the job maintenance period may be invoked in project negotiations (and their resulting MOUs) in some circumstances. These ramp-up times and job maintenance periods are established by agreement of the parties in the MOU.

Repayment by the business due to failure to fulfill the national objective's job creation requirements: When the CDBG assistance provided to a business is in the form of a repayable loan, then full repayment of that loan is required per the terms of the promissory note. If the business with the repayable loan obligation fails to achieve a national objective, the consequence is that immediate acceleration of the note obligation will be declared, requiring immediate, full repayment of the note. When the CDBG assistance provided to a business is wholly, or partly, in the form of a forgivable loan, and the business fails to achieve a national objective, the consequences vary depending on the nature of the failure:

- CDBG federal statutes and regulations require CDBG funded projects to meet the national objective of principally benefiting low-to-moderate income (LMI) persons. These statutes and regulations require that at least 51% of the created jobs benefit LMI persons; with such benefit achieved by having at least 51% of the created jobs either held by, or made available to, LMI persons. If the benefited business fails to meet the national objective by not having at least 51% of the created jobs benefit LMI persons, then the loan is not forgiven, and full repayment of the CDBG funds is required.
- If the national objective (51% LMI benefit) is met, but the minimum job creation requirement (the number of such jobs varying with each individual project) is not achieved, then full repayment of the CDBG funding is required of the business absent other agreement by the Department.
- If the national objective (51% LMI benefit) is met, but the jobs are not maintained for the required job maintenance period (such period varying with each individual project), then full repayment of the CDBG funding is required of the business absent other agreement by the Department.
- If the national objective (51% LMI benefit) is met, but there is a failure as to both the job creation requirement and the job maintenance period, then full repayment of the CDBG funding is required of the business absent other agreement by the Department.

SAM Registration:

The System for Award Management (SAM) has combined the federal procurement systems and the Catalog of Federal Domestic Assistance into one new system. Any government, business, grantee or organization wishing to do business with the federal government under a Federal Acquisition Regulation (FAR)-based contract, or anyone applying for federal grants, cooperative agreements or other forms of federal financial assistance through Grants.gov, must be registered in SAM. Also, consider creating a SAM account if you wish to utilize the full set of capabilities that have been developed in SAM.

All Project Applicants (grantees, businesses, and general contractors) must be registered with the System for Award Management (SAM). HUD will not issue a grant agreement for awarded funds to a project applicant until an active SAM registration is verified. If you did not have an active record, or your record expired, you will need to register your organization in SAM. Please visit the System for Award Management website, www.SAM.gov to register or update your organization. You will need to create a user account before registering or updating your organization (and have a DUNS number – see below). The SAM will ask you for the North American Industry Classification System or NAICS code that best describes your industry. The website has detailed instructions and user guides to assist in registering your organization. See the Exhibits for more details.

DUNS Number:

A DUNS Number, assigned by the company Dun & Bradstreet, is required when submitting any application for Federal funds. A DUNS is required to register in SAM (see above). If your organization does not already have a DUNS Number, please visit the Dun & Bradstreet website at www.dnb.com or call 1-866-653-1344. The process of obtaining a DUNS Number is free of charge and should take less than 15 minutes. Most organizations will have a 9-digit DUNS Number. Larger organizations that have multiple departments might already use 4-digit extensions on the DUNS Numbers to distinguish between the various offices with the organization. For example, of a State DUNS Number is 123456789, the Housing, Health, and Transportation Departments should all have different 4-digit extensions, especially since these departments might have different addresses and contact personnel. The 13-digit numbers would look like 123456789-1234. In e-snaps, however, the hyphen is NOT entered. See the Exhibits under “Instructions for SAM Registration” for more details.

Eligible Activities and Forms of CDBG Assistance:

Activities eligible for assistance under the CDBG ED guidelines are primarily (but not exclusively) authorized in Sections 105(a)(14, 15, 17) of the HCDA. All activities must meet the eligibility requirements, and avoid the prohibitions, in the HCDA and in the CDBG regulations. The forms of assistance available in the CDBG ED category are:

- ***Loans to businesses:*** The provision of "direct" assistance to eligible, private, for-profit businesses to carry out an economic development project. The assistance is not (and cannot be by the provisions of the HCDA and the CDBG regulations) provided directly to the business from the Department, but rather is passed through the applicant governmental unit. The assistance will be in the form of a loan from the applicant governmental unit to the business. Such loans may be used by the business for almost any legitimate business purpose. Examples of permitted uses include: purchasing land; constructing a building; renovating an existing building; purchasing machinery and equipment; purchasing inventory; and meeting working capital needs. Unless a compelling case, involving extraordinary circumstances, can be made by the applicant and the benefited business, “refinancing”, “financial restructuring”, and “bail-outs” of existing debt are not favored by the Department as an appropriate use of CDBG funds.
 - Loans to businesses may be either low-interest or non-interest bearing, depending on: interest rate market conditions; the particular facts and circumstances of the business and the CDBG application; and the decision regarding loan terms (interest rate being among such loan terms) made by the entity which will be ultimately receiving loan repayments made by the business (which may be the applicant governmental unit, or the Department, or both in some instances).
 - Loan amortizations are to require monthly payments, unless approved by DED.
 - Other terms of the loan (such as appropriate loan maturity, payment deferrals, and collateral requirements) vary from project to project and will be subjects of negotiation among the parties.
 - Maximum allowed maturities are generally:
 - 15 years for real estate loans
 - 7 years for machinery/equipment loans
 - 5 years for working capital loans

- Maximum time for deferral of the initial loan payment is one year from note inception. Such payment deferrals are not the norm.
- **Public facilities (infrastructure) construction or improvement projects, undertaken for economic development purposes:** *CDBG funds in these instances are granted directly to the community. In such projects, a business benefiting from the infrastructure project (e.g., from street construction to the proposed site of the business) agrees to locate or expand in the applicant community premised on the infrastructure project and agrees to create jobs principally benefiting LMI persons (and to maintain those jobs).*
 - The public facilities project must be essential to the business and have a direct nexus to the business activities conducted by the business.
 - Typical examples of such public facilities include street construction, street improvements, water supply system improvements, sewer system improvements, and flood and drainage system improvements.
 - Communities should note that any costs for "oversizing" the project to meet community needs beyond the essential needs of the benefited business must be exclusively paid by the community, and such costs borne for "oversizing" will not count toward the required minimum 1:1 community match of CDBG funds.
 - Because the CDBG award in these projects is a grant directly to the community, the matching funds in these projects must come from the community itself and be invested directly into the project costs. Other "matching" that may be done by the business in its location/expansion, e.g., building a new plant, does not serve to fulfill the match requirement in this public facilities component of the CDBG ED program.
 - Even though the CDBG funds in these projects do not flow through to directly benefit the business, the business benefits from the project, and the granting of the CDBG funds to the community in the first place is premised upon the business' agreement to locate/expand and to create and maintain jobs thereby. Consequently, the business is required to agree (in the MOU for the project):
 - to carry out the location/expansion of its business facility.
 - to create and maintain jobs having the required LMI benefit.
 - to repay to the community the amount of the CDBG funds awarded to the community and invested in the public facilities project should the business fail to meet the requirements of the MOU.
 - to provide in the application and periodically into the future (for the duration of the job maintenance period) financial information to allow an evaluation of the condition of the business, the likelihood of achieving the job creation and job maintenance requirements, and the business' capacity to repay to the community the amount of the CDBG funds awarded should the business fail to meet the requirements of the MOU.

Special Conditions for Release of Funds:

Funding of amounts stipulated in the CDBG contract will not be released to the Grantee by the Department until the following special conditions for release of funds are met. These special conditions must be satisfactorily completed no later than within 90 days of the Contract begin date. The Department reserves the right to cancel the contract if these special conditions are not met within this specified time frame. The Special Conditions for the Release of Funds in the CDBG Contract must be satisfied before the Notice of Release of Funds will be issued. The list below represents a list of typical special conditions; however, CDBG contracts are tailored to a specific project with unique conditions. These (Special Conditions) forms (and instructions) can be found on the Department's website, <http://opportunity.nebraska.gov/CDBG>, under "Forms and Templates".

Grantee Information Sheet

Completion, and submission to the Department, of the CDBG Grantee Information Sheet. This form may be required to be updated periodically throughout the project timeline until close out of the grant.

Environmental Review

Submission to the Department of documentation evidencing the Grantee's completion of its responsibilities for environmental review and decision making pertaining to the Project, and its compliance with the National

Environmental Policy Act of 1969 (NEPA), and other provisions of federal law as specified in 24 C.F.R. Part 58 which furthers the purposes of NEPA as now in effect, and as such law may be amended during the term of this contract. The completed Environmental Review Record is a required submission with the CDBG application, and it may contain requirements such as environmental mitigation (such as avoiding mating season of certain bird species during the Project construction time frame, or obtaining special permissions, licenses, or permits, etc). These conditions are usually listed under “Other Special Conditions” section of the CDBG Contract.

Authorization to Request Grant Funds Form

Completion by the appropriate chief elected official of the Grantee, and submission to the Department, of the Department's Authorization to Request Funds form.

Financial Management Certification

Submission to the Department of documentation evidencing completion of all financial management system requirements and execution of the financial management certification form prescribed by the Department.

Procurement Standards and Code of Conduct

Submission to the Department of documentation evidencing adoption of Procurement Standards and Code of Conduct in compliance with provisions of federal law as now in effect, and as such law may be amended during the term of this contract, including but not limited to, 24 C.F.R. Part 85, 24 C.F.R. §570.489, and 2 C.F.R. §§200.318 through 200.326, with emphasis on the provisions in 2 C.F.R. §200.322 regarding procurement of recovered materials. Procurement standards must include written standards of conduct covering conflicts of interest and governing the actions of Grantee’s employees engaged in the selection, award and administration of contracts.

Excessive Force Certification

Submission to the Department of documentation that the Grantee has adopted a policy to prohibit the use of excessive force by local law enforcement agencies against any individual engaged in nonviolent civil rights demonstrations.

Fair Housing Practices

Submission to the Department of documentation identifying the local fair housing representative for the Grantee, including the representative’s name and contact information. The Grantee must also submit a description of the actions Grantee will take during the course of the grant to fulfill the requirements to affirmatively further fair housing, and submit documentation demonstrating the actions that were actually taken. The requirement to submit documentation demonstrating the actions that were actually taken need not be submitted within the time frame for completion of the special conditions, but such documentation must be submitted prior to closeout of the grant. The Department's *Nebraska CDBG Administration Manual* contains additional detail about affirmatively furthering fair housing.

Implementation Schedule

Completion, and submission to the Department, of the Nebraska CDBG Grantee Implementation Schedule form. The Implementation Schedule will serve as the schedule for completion of the Project, and may be used by the Department to assess Project progress.

CDBG Certified Administrator Required

Documentation must be submitted to the Department identifying the CDBG Certified Administrator the Grantee will use for the Project. The Department's *CDBG Administration Manual* contains details about the certification process.

Four Factor Analysis Assessing Limited English Proficiency

A Four Factor Analysis is required to be submitted to the Department, evidencing the analysis of the identification of the LEP population within the service area of the specific project for which the applicant is applying for CDBG funding.

The analysis also reviews the degree of assistance that will be needed by the LEP population and the degree of how the specific project could have serious or even life-threatening implications for the LEP individual. Title VI of the Civil Rights Act of 1964, Executive Order 13166, requires recipients of federal funding to ensure that LEP individuals have meaningful access to the services/program and/or information supplied by the specific project. The manner in which recipients fulfill this federal funding requirement is further described in HUD's final "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient (LEP) Persons," published in the Federal Register on January 22, 2007, and which became effective on March 7, 2007 ("HUD LEP Guidance"). ***The Four Factor Analysis is project-specific. Therefore, a Four Factor Analysis is required to be completed that is specific to a unique project for which the applicant is seeking CDBG funding by the Department.***

Such documentation must include all of the following:

(1) A Four Factor Analysis that is consistent with the HUD LEP Guidance. In addition to the inclusion of issues outlined in the HUD guidance, the analysis should include a definition of the project specific service area boundaries, as agreed upon between the applicant and the ED Program Representative. The analysis should also address if the project will affect the existing LEP population and to what degree the life of the LEP individual may be threatened or seriously affected if the project services are delayed by inability to communicate information about the project. The analysis should also include a description of the actions the Grantee is taking currently and will take during the course of the grant to fulfill the requirements to provide meaningful access to LEP persons. This description should include the title of the employee of the applicant, which has been designated as the applicant's lead concerning LEP issues.

(2) A Language Assistance Plan (LAP), created in accordance with federal regulations and with HUD guidance concerning LEP issues, is also required if deemed necessary, as a result of the Four Factor analysis.

The Grantee must also keep records of requests for LEP services, and all LEP services provided by Grantee during the course of the grant. Grantee must submit documentation to the Department demonstrating LEP services provided as part of the project status report and/or monitoring process by the Department for the project receiving CDBG funding. Please see the Department's website for more information and a sample plan in the Exhibits.

Other Special Conditions

These conditions are usually listed under "Other Special Conditions" section of the CDBG Contract, and often reflect special conditions outlined in the Environmental Review Record.

Section 5.06 Post Award Requirements

Considerations should be given to a variety of Federal and State regulations that can have scheduling or cost implications. Among these are:

Records

Retain all information on grant-assisted activities for ten (10) years following completion and closeout of the grant. During the grant period, performance reports are required semi-annually. Projects deficient for reporting are subject to further action as described in the CDBG Administration Manual or other such publication or notification by the Department.

2 CFR Part 200 Subpart F

Local governments and nonprofits that expend \$750,000 or more must conduct a single audit of federal and local funds.

Davis-Bacon Act

This and related acts require that prevailing wage rates be paid to all employees working on a construction contract of \$2,000 or more.

Acquisition/Relocation

Regulations for acquisition and relocation emphasize anti-displacement and should be discussed with the Department URA representative at the beginning of the project. The Uniform Relocation and Real Properties Acquisition Act (URA) apply to all federally assisted activities that involve the acquisition of real property or the displacement of persons. If CDBG funds are used in any part of the project, the URA would govern the acquisition of real property, including easements, and any resulting displacement, even if local funds are used to pay the acquisition costs. The URA requirement may include formal notification of the affected property owner(s), preparation of an appraisal to determine fair market value, and a written purchase offer based on an amount determined to be fair market value. The only exception is a voluntary transaction that meets certain criteria.

Regulations emphasize anti-displacement. However, if displacement is necessary, relocation assistance must be provided to persons displaced by rehabilitation, acquisition, demolition, or the conversion of units for use other than low- to moderate-income dwelling units. Grantees will be required to replace every occupied unit that is demolished or converted with CDBG funds on a one-for-one basis within a three-year period.

Regulations Emphasize Anti-Displacement

However, if displacement is necessary, relocation assistance must be provided to persons displaced by rehabilitation, acquisition, demolition, or the conversion of units for use other than low- to moderate-income dwelling units. Grantees will be required to replace every occupied unit that is demolished or converted with CDBG funds on a one-for-one basis within a three-year period.

Procurement

Open and free competition on solicitation of professional services bidding is also required in most cases. If the applicant intends to use CDBG funds to pay all or a portion of fees, or intends to claim fees as match, then CDBG procurement guidelines must be followed. Grantees must establish and maintain effective internal controls over the CDBG award, providing reasonable assurance that all parties involved are compliant with federal, state, and local statutes, regulations, and the terms and conditions of the CDBG award. For more information, see *Section 5.05* of the Application Guidelines.

Environmental Review

Grant recipients are required to obtain appropriate environmental clearance for their projects and to maintain an Environmental Review record for each project. Depending on the determination of level of review, the review process may involve consultation with various agencies, groups and individuals regarding: historic properties, floodplain management, wetland protection, noise control, air quality, explosive and flammable operations, airport hazards, water quality, threatened and endangered species, wild and scenic rivers, farmland protection, environmental justice, contamination and toxic substances. The environmental review and Request for Release of Funds/Certification, if required, must be completed

Special Assessments

Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments to recover the non-CDBG portion may be made provided CDBG funds are used “to pay” the special assessment on behalf of all properties owned and occupied by low- and moderate-income persons. For more information see *Section 3.02 (3)*.

Equal Opportunity, Fair Housing, and Handicap Accessibility

Laws require that CDBG grantees administer their projects in a manner that affirmatively furthers fair housing and equal opportunity. All grantees will be required to undertake specific activities to further fair housing. Grantees must also assure that all activities and services are accessible to those with disabilities.

International Energy Conservation Code

Most new construction or substantial rehabilitation of buildings must meet the 2009 International Energy Conservation Code or the most recent version of the International Conservation Code in effect, as specifications (at no cost) that meet said standards. This applies to lighting, heating, cooling, ventilating, or water heating equipment

or controls, as well as building envelopes. The certification form, which will be provided by the NEO, will attest that the building design complies and provide summary information about the design.

When the Energy Office has determined that a subject building complies, or has received documentation of alternate compliance, it will provide a Verification of Construction form on which it must be certified that the building is constructed substantially according to the plans. At key points during construction, the building should be inspected to verify that insulation and other envelope components, and all specified lighting, heating, cooling, ventilating, and water heating equipment and controls are installed as indicated on the plans. The Verification of Construction form must be signed and returned to the Energy Office within twenty (20) days following substantial completion. Contact NEO at (402) 471-2867 for a copy of the code.

As an alternate compliance method when a licensed architect and/or engineer have designed a subject building, a Designer Certification may be submitted to NEO instead of building plans and specifications. The certification form, which will be provided by the NEO, will attest that the building design complies and provide summary information about the design.

Continued Use

All community facilities assisted with CDBG funds must remain in the same use for five year after grant closeout. For more information, see 24 CFR 570.489.

Section 6.01 Glossary of Terms

Annual Action Plan (AAP)

The Annual Action Plan updates the Nebraska Housing and Community Development Consolidated Plan, a five-year plan addressing the state's housing and community development needs.

Assessment Abatement

To pay fees levied against private property for the costs of public facilities activities (see special assessment). In order to maximize benefit to low- and moderate-income households, funds may be used to abate the assessments for these owner-occupied households.

Beneficiary

The ultimate consumer of HUD programs who receives benefits from a HUD Recipient or Sub-recipient.

Community Development Need

A demonstrated deficiency in housing stock, public facilities, economic opportunities, or other services that is necessary for developing or maintaining viable communities.

Comprehensive Strategic Approach

A comprehensive strategic approach is one that effectively utilizes community needs assessments, stakeholder participation, and planning processes. A comprehensive approach should include: significant needs identification, adopted or updated Comprehensive Plan, housing study, and capital improvement plan.

Consolidated Plan

The Nebraska Five-Year Consolidated Plan is a comprehensive planning document identifying the state's needs in housing, homelessness, community and economic development. The State is required by the U.S. Department of Housing and Urban Development (HUD) to complete a Consolidated Plan every five years to receive federal funds for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), National Housing Trust Fund (HTF), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG) programs. Two other State funded programs are included in the plan, Homeless Shelter Assistance Trust Fund (HSATF) and Nebraska Affordable Housing Trust Fund (NAHTF).

Department or DED

Nebraska Department of Economic Development. The state agency that administers the federal Community Development Block Grant State Program for communities under 50,000 population with funds allocated to the US Department of Housing and Urban Development.

Disability

Any condition or characteristic that renders a person an “individual with disabilities” as defined in 24 CFR Part 8.3 (Code of Federal Regulations). An “individual with disabilities” means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment.

Elderly

For purposes of this program and qualifying a project as meeting the low- and moderate-income national objective by principally benefitting seniors, a senior citizen is a person aged 62 or older.

Eligible Activity

Those activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act. However, the State and local participants have developed priorities, listed in *Section 3.04*, that best serve their interests and increase the likelihood of being funded.

Family

A family is defined as all persons living in the same household who are related by birth, marriage, or adoption. An individual living in a housing unit that contains no other person(s) related to him/her is considered to be a one-person for this purpose. A dependent child who is living outside of the home (e.g. students living in a dormitory or other student housing), is considered for these purposes to be part of the family upon which he/she is dependent, even though he/she is living in another housing unit.

Firm Public or Private Commitment

An agreement by a private or public party to take part in a local community development project. The party must demonstrate the capacity to carry out the activity specified in the grant application. The agreement may take the form of a city council or county board resolution, letter from a governmental agency, or a letter of credit from a private lending institution.

Flood and Drainage

Facilities designed to influence or affect the flow in a natural water course (such as a river, stream, lake, or intermittent stream) and excludes storm sewers.

Grant Closeout

The process by which the department determines that the grant recipient and the department have completed all applicable administrative actions and all required work.

Grant Contract

The legally binding contract between the state and a grant recipient. It consists of the notice of grant award, special conditions to the contract, certifications to comply with applicable state and federal regulations, the project budget, and the grant application.

Household

All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing and Community Development Needs Assessment

A statement by the applicant that lists the community's development needs, including housing needs and needs of low- and moderate-income persons and strategies to address the needs. Required of all applicants to be eligible for CDBG funding under Title I of the Housing and Community Development Act.

Income

The total gross income (before taxes) of all members of a family who are age 15 or older. Income includes all monies received by all members of the family such as gross wages and salaries, bonuses, tips, interest, dividends, social security, other retirement, supplemental security income, welfare, disability, VA payments, unemployment, alimony, other. A family that is involved in a business where the finances are interrelated with the family budget (such as a farmer) should consider their income as net after expenses, as reported to the Internal Revenue Service.

Language Assistance Plan (LAP)

A written implementation plan that addresses identified needs of the LEP persons served.

Leverage

Funds that are committed to the project activities exceeding the required match. Leverage may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. Leveraged funds may be considered only if they are spent during the project period. (Date of Release of funds through the project completion date). The amount of leverage must be given in dollars.

Limited English Proficient Person (LEP)

Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English because of national origin.

Low- and Moderate-Income

For CDBG, a person is considered to be of low income only if he or she is a member of a household whose income would qualify as "very low income" under the Section 8 Housing Assistance Payments program. Generally, these Section 8 limits are based on 50% of area median. Similarly, CDBG moderate income relies on Section 8 "lower income" limits, which are generally tied to 80% of area median.

Low- and Moderate-Income Person

A member of a family having an income as described under the Low- and Moderate-Income definition.

Lower-Income Person

A member of a family having an income equal or less than the Section 8 "lower income" limit established by HUD (80% or less of the area median). Unrelated individuals shall be considered as one-person families for this purpose.

Municipal Equalization Fund (MEF) score

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue's Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city's population is multiplied by the average per capita property tax levy for the relevant population group. Then each city's property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the

average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in a state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the US Census Bureau.

Neighborhood

A geographic location with the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government that is under 25,000 population.

Neighborhood-based nonprofit organization

An association or corporation, duly organized to promote and undertake community development activities on a not-for-profit basis within a neighborhood. To be considered neighborhood-based, the majority of the organization's membership, clientele, or governing body are residents of the neighborhood where activities assisted with CDBG funds are to be carried out.

Project Cost

Costs to complete the project and not associated with general administration of the grant (i.e. 0181 General Administration) or supporting project costs (i.e. 0380 Construction Management, 0580 Housing Management – Rehabilitation Management, and 0580a Housing Management – Lead-based Paint testing, risk assessment, and clearance testing).

Project Description

Applicants are required to submit a project description identifying the nature and scope of the project. This description is utilized to determine eligibility of project activities and provides overall context to the selection criteria for scoring of applications. This description should include how the project proposes to address at least one objective and one outcome as described in *Section 2.02*.

Service Area

Area within the community designated to benefit from the project.

Single Purpose Project

One or more activities designed to meet a specific community development need.

Special Assessment

A fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement or a onetime charge made as a condition of access to the improvement. The amount of the fee represents the pro rata share of the capital costs of the public improvement levied against the benefitting properties.

Supporting Project Costs

Costs that support project costs (i.e. 0380 Construction Management, 0580 Housing Management – Rehabilitation Management, and 0580a Housing Management – Lead-based Paint testing, risk assessment, and clearance testing).

For reporting purposes, beneficiaries are not reported separately rather they are associated with the most appropriate activity. Supporting project costs do not include grant administration (i.e. 0181 General Administration).

Target Area

A defined geographic area within which an applicant has determined that, based on community plans or other studies, a need for community development activities exists. A target area may be a neighborhood of 100 or more families in a community or an entire community. The target area must encompass the entire area served by the project.

Units of Accomplishment

Awarded projects must report on accomplishments specific to project outcomes. There are seven accomplishment types, the number of accomplishments will depend on the project activities to be undertaken. These types include People, Households, Businesses, Organizations, Housing Units, Public Facilities, and Jobs. For reporting purposes, at the time of application, the number of accomplishments is considered “proposed” and upon completion of project activities, the accomplishments are considered “actual”.

Vital Document

Any document that is critical for ensuring meaningful access to the Recipient’s major activities and programs by beneficiaries generally and LEP persons specifically.